



2025 Financial Statements

March 31, 2025



THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

INDEX

FINANCIAL STATEMENTS:

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2
Statement 1 – Statement of Financial Position	6
Statement 2 – Statement of Operations.....	7
Statement 3 – Statement of Changes in Net Assets	8
Statement 4 – Statement of Cash Flows.....	9
Statement 5 – Statement of Remeasurement Gains and Losses	10
Notes to the Financial Statements	11-29

SUPPLEMENTARY SCHEDULES:

Schedule 1 – Analysis of Operating Grants, Ancillary and Other Revenue.....	30
Schedule 2 – Analysis of Ancillary Expenses	31
Schedule 3 – Analysis of Ontario Student Opportunity Trust Fund (OSOTF I & II).....	32
Schedule 4 – Analysis of Ontario Trust for Student Support (OTSS).....	33

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Management's Responsibility for Financial Reporting

The financial statements of The Mohawk College of Applied Arts and Technology (the "College"), are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

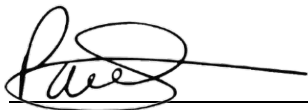
The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The College's liabilities have been reviewed by management. There are no material liabilities in either fact or contingency as at the date of this report that have been omitted from these financial statements.

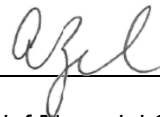
The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit, Finance and Infrastructure Committee (the "Committee").

The Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. KPMG LLP has full and free access to the Committee.



President



Chief Financial Officer

June 10, 2025



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Mohawk College of Applied Arts and Technology

Opinion

We have audited the financial statements of Mohawk College of Applied Arts and Technology (the "College"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2025, and its results of operations, its changes in net financial assets, its cash flows, and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Restated Comparative Information

We draw attention to note 2 of the financial statements which describes that certain comparative information presented for the year ended March 31, 2024 has been restated and the matter that gives rise to the restatement.

Our opinion is not modified in respect to this matter.

Other Matter – Comparative Information

The financial statements as at and for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 12, 2024.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report of the College.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 4

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 10, 2025

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2025, with comparative figures for 2024

Statement 1

		2025	2024 (Restated) (note 2)
ASSETS			
Current			
Cash	(note 3)	\$ 31,125,311	\$ 58,675,106
Investments	(note 3)	165,680,387	188,748,655
Accounts receivable		16,621,075	15,743,615
Grants receivable		7,763,740	6,011,452
Inventories		663,732	1,160,098
Prepaid expenses and other assets		10,944,825	8,665,000
Current portion of long-term receivable	(note 5)	1,254,709	1,197,028
		234,053,779	280,200,954
Long-term			
Long-term investments	(note 4)	1,351,010	1,319,885
Long-term receivable	(note 5)	23,026,906	24,281,615
Construction in progress		4,508,971	2,520,641
Capital assets	(notes 2 and 6)	190,851,939	180,473,176
		219,738,826	208,595,317
		<u>\$ 453,792,605</u>	<u>\$ 488,796,271</u>
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 42,147,984	\$ 50,409,792
Deferred revenue	(note 7)	58,661,934	99,858,661
Vacation pay		10,169,850	10,129,972
Current portion of long-term debt	(note 8)	3,248,834	3,144,448
		114,228,602	163,542,873
Long-Term Liabilities			
Long-term debt	(note 8)	35,376,422	38,625,256
Asset retirement obligations	(note 9)	6,034,919	4,334,384
Post-employment benefits and compensated absences	(note 10)	7,500,000	6,755,000
		48,911,341	49,714,640
Deferred Contributions			
Deferred contributions	(note 11)	10,806,844	8,764,782
Deferred contributions related to expenses of future periods	(note 12)	9,049,688	5,545,414
Deferred contributions related to capital assets	(note 13)	114,671,276	117,084,126
		134,527,808	131,394,322
Net Assets (statement 3)			
Net assets invested in capital assets	(notes 2 and 14)	67,313,816	50,586,453
Unrestricted net assets:			
Operating	(note 2)	16,844,040	16,200,895
Vacation pay		(10,169,850)	(10,129,972)
Post-employment benefits and compensated absences		(7,500,000)	(6,755,000)
Restricted net assets:			
Internally restricted assets		67,000,000	77,600,000
Endowment contributions	(note 17)	20,889,375	19,912,789
		154,377,381	147,415,165
Accumulated remeasurement gains (losses) (statement 5)		1,747,473	(3,270,729)
		156,124,854	144,144,436
		<u>\$ 453,792,605</u>	<u>\$ 488,796,271</u>

See accompanying notes to the financial statements

SIGNED ON BEHALF OF THE BOARD:

Approved by the Board of Governors

at the meeting of June 10, 2025

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Operations
For the year ended March 31, 2025, with comparative figures for 2024

Statement 2

		2025	2024
			(Restated)
			(note 2)
REVENUE			
Grants	(schedule 1)	\$ 112,055,645	\$ 107,179,767
Student fees	(note 16)	201,918,163	209,869,989
Ancillary	(schedule 1)	14,735,272	13,283,810
Amortization of deferred contributions		5,865,911	5,491,354
Amortization of deferred contributions related to capital assets		8,741,956	8,486,659
Other	(schedule 1)	16,770,581	19,892,675
		<u>360,087,528</u>	<u>364,204,254</u>
EXPENSES			
Salaries and benefits		210,309,770	193,344,100
Contracted services and professional fees		60,612,565	76,828,821
Supplies and other expenses	(note 2)	24,321,723	25,576,716
Utilities, maintenance and taxes		12,664,920	11,631,179
Instructional supplies		9,077,646	9,748,600
Ancillary	(schedule 2)	14,343,243	11,359,645
Scholarship, bursary and award payments		5,865,911	5,491,354
Amortization expense	(note 2)	15,152,462	15,222,865
Interest on long-term liabilities	(note 2)	1,753,658	1,872,348
		<u>354,101,898</u>	<u>351,075,628</u>
EXCESS OF REVENUE OVER EXPENSES		<u><u>\$ 5,985,630</u></u>	<u><u>\$ 13,128,626</u></u>

See accompanying notes and schedules to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Changes in Net Assets
For the year ended March 31, 2025, with comparative figures for 2024

Statement 3

	2025					
	Invested in capital assets (note 14)	Unrestricted operating	Vacation & post-employment benefits & compensated absences	Internally restricted	Endowment contributions (note 15)	Total
Balance, beginning of year	\$ 50,586,453	\$ 16,200,895	\$ (16,884,972)	\$ 77,600,000	\$ 19,912,789	\$ 147,415,165
(Deficiency) excess of revenue over expenses	(6,410,506)	13,247,478	(784,878)	(66,464)	-	5,985,630
Investment in capital assets	23,137,869	(10,601,898)	-	(12,535,971)	-	-
Change in internally imposed restrictions	-	(2,002,435)	-	2,002,435	-	-
Endowment contributions	-	-	-	-	976,586	976,586
Balance, end of year	<u>\$ 67,313,816</u>	<u>\$ 16,844,040</u>	<u>\$ (17,669,850)</u>	<u>\$ 67,000,000</u>	<u>\$ 20,889,375</u>	<u>\$ 154,377,381</u>

	2024 (Restated - note 2)					
	Invested in capital assets (note 14)	Unrestricted operating	Vacation & post-employment benefits & compensated absences	Internally restricted	Endowment contributions (note 15)	Total
Balance, beginning of year	\$ 30,662,856	\$ 11,713,521	\$ (15,260,906)	\$ 69,770,000	\$ 18,173,729	\$ 115,059,200
Change in accounting policy (note 2)	17,488,279	-	-	-	-	17,488,279
Balance, beginning of year restated	48,151,135	11,713,521	(15,260,906)	69,770,000	18,173,729	132,547,479
(Deficiency) excess of revenue over expenses	(6,838,696)	21,043,343	(1,624,066)	(39,972)	-	12,540,609
Change in accounting policy (note 2)	102,490	485,527	-	-	-	588,017
(Deficiency) excess of revenue over expenses restated	(6,736,206)	21,528,870	(1,624,066)	(39,972)	-	13,128,626
Investment in capital assets	8,685,997	(4,399,812)	-	(4,286,185)	-	-
Change in accounting policy (note 2)	485,527	(485,527)	-	-	-	-
Investment in capital assets restated	9,171,524	(4,885,339)	-	(4,286,185)	-	-
Change in internally imposed restrictions	-	(12,156,157)	-	12,156,157	-	-
Endowment contributions	-	-	-	-	1,739,060	1,739,060
Balance, end of year	<u>\$ 50,586,453</u>	<u>\$ 16,200,895</u>	<u>\$ (16,884,972)</u>	<u>\$ 77,600,000</u>	<u>\$ 19,912,789</u>	<u>\$ 147,415,165</u>

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Cash Flows
For the year ended March 31, 2025, with comparative figures for 2024

Statement 4

	2025	2024
		(Restated)
Cash provided by (used in):		(note 2)
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 5,985,630	\$ 13,128,626
Items not involving cash:		
Amortization expense (note 2)	15,152,462	15,222,865
Accretion expense (note 9)	182,358	180,805
Net (income) loss of Mohawk College Enterprise (note 4)	(31,125)	37,718
Increase in post-employment benefits and compensated absences (note 10)	745,000	207,000
(Gain) loss on disposal of capital assets	(21,396)	20,910
Amortization of deferred contributions related to capital assets	(8,741,956)	(8,486,659)
	13,270,973	20,311,265
Changes in non-cash working capital items:		
Accounts receivable	(877,460)	1,782,887
Grants receivable	(1,752,288)	2,078,466
Inventories	496,366	(59,047)
Prepaid expenses and other assets	(2,279,825)	(2,660,113)
Accounts payable and accrued liabilities	(8,261,808)	14,831,531
Deferred revenue	(41,196,727)	(19,510,676)
Vacation pay	39,878	1,417,066
	(40,560,891)	18,191,379
INVESTING ACTIVITIES		
Sale (purchase) of investments, net	28,086,470	(25,442,964)
Long-term receivable	1,197,028	1,141,999
	29,283,498	(24,300,965)
CAPITAL ACTIVITIES		
Purchase of capital assets	(21,554,049)	(10,555,678)
Proceeds from sale of capital assets	21,396	12,520
Contributions for capital purposes	5,985,927	5,339,992
Construction in progress, net of deferred contributions	(4,447,329)	(2,499,648)
	(19,994,055)	(7,702,814)
FINANCING ACTIVITIES		
Contributions for endowment	976,586	1,739,060
Contributions for other restricted purposes, net	2,042,062	1,668,546
Contributions for expenses of future periods, net	3,847,453	779,577
Repayment of long-term debt	(3,144,448)	(2,960,318)
	3,721,653	1,226,865
DECREASE IN CASH	(27,549,795)	(12,585,535)
CASH, BEGINNING OF YEAR	58,675,106	71,260,641
CASH, END OF YEAR	\$ 31,125,311	\$ 58,675,106

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**Statement of Remeasurement Gains and Losses****For the year ended March 31, 2025, with comparative figures for 2024****Statement 5**

	2025	2024
Accumulated remeasurement losses, beginning of year	\$ (3,270,729)	\$ (5,060,232)
Gains attributable to:		
Investments	5,229,685	1,434,083
Amounts reclassified to the statement of operations:		
Disposition of investments	(211,483)	355,420
Net remeasurement gains for the year	<u>5,018,202</u>	<u>1,789,503</u>
Accumulated remeasurement gains (losses), end of year	<u>\$ 1,747,473</u>	<u>\$ (3,270,729)</u>

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

DESCRIPTION OF ORGANIZATION

The Mohawk College of Applied Arts and Technology (the "College"), established in 1966, is an Ontario College of Applied Arts and Technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and a not-for-profit organization and provides postsecondary education. The College is exempt from income taxes under the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

These financial statements do not reflect the assets, liabilities and results of operations of the various student organizations or The Mohawk College Foundation which is a separate public foundation.

(b) Revenue recognition

The College follows the deferral method of accounting for contributions, which include donations and government grants.

Operating grants from the Ministry of Colleges, Universities, Research Excellence and Security ("MCURES") and other government agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

Revenue from tuition fees, contracts and sales from ancillary operations is recognized when the services are provided, or the goods are sold and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions are recognized as revenue when received or receivable.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

(c) Inventories

Inventories consist primarily of items held for resale in the Campus Stores. Inventories are valued at the lower of cost and net realizable value.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

(d) Long term investments

The College controls Mohawk College Enterprise Corporation ("MCE") and accounts for the investment using the modified equity method. The equity earnings are recorded in other revenue. MCE undertakes and carries out educational training programs and consulting projects for and on behalf of businesses and industries. MCE is the exclusive provider of corporate training on behalf of the College. MCE is a for-profit organization and was incorporated under the Business Corporations Act (Ontario) by Certificate of Incorporation dated April 1, 2010. The Board of Directors is approved by the College and the Shareholder Declaration provides for limitations on certain activities and actions on the part of MCE without the express consent of the College.

(e) Construction in progress

Construction in progress costs are capitalized as work progresses. Once the construction has been completed, the total costs will be transferred to the various categories of capital assets and are amortized on a basis consistent with similar assets.

(f) Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Donated capital assets are recorded at their fair market value at the date of donation. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to residual value. Remaining capital assets are amortized on a straight-line basis over their estimated useful lives using the following rates:

Buildings	40 - 65 years
Portables & roof replacement	20 years
Major equipment	10 - 20 years
Site improvements	10 years
Furniture and equipment	5 years
Vehicles	5 years
Computers & software	3 - 5 years

(g) Vacation pay

The College recognizes vacation pay as an expense on the accrual basis.

(h) Retirement and post-employment benefits and compensated absences

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- i. The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experienced gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

- ii. The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- iii. The cost of vesting and non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- iv. The discount rate used in the determination of the above-mentioned liabilities is based on the effective yield of Ontario bonds (trading on the market) that approximate the weighted average duration of the cash flows for the employee future benefits.

(i) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(j) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at fair value or amortized cost. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value, unless the investment income is externally restricted, are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gains/losses are adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The College classifies fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(k) Internally restricted assets

Net assets internally restricted by the Board of Governors are for capital projects, strategic initiatives, and future operating expenses. Expenses require approval by the Board of Governors.

(l) Endowment contributions

Endowments represent restricted donations received by the College where the principal sum is held for investment while the income earned is expendable for the specific purpose outlined when the funds were donated.

(m) Management estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value for long-term investments, allowance for doubtful accounts, useful lives of capital assets, asset retirement obligations and actuarial estimation of post-employment benefits and compensated absences liabilities.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

2. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the College adopted the new Public Sector Accounting Handbook Standard PS 3160 - Public Private Partnerships. During the process of identifying public private partnership arrangements, the College identified an alternative financing arrangement it had entered into in fiscal 2017. While it was determined this arrangement was not within the scope of Section PS 3160, the new Section clarified the other standards the College should look to for guidance in accounting for the arrangement. During the year ended March 31, 2024, the College changed the historical accounting treatment for the arrangement as a sale-leaseback transaction due to a change in accounting policy. During the current year, the College determined the accounting conclusions originally adopted in fiscal 2017 were more appropriate based on the substance of the arrangement and the financial statements have been recast to revert back to the accounting originally adopted in fiscal 2017. The impact has been applied retroactively with restatement of prior periods.

The impact of the change was as follows:

	As at April 1, 2023
Decrease in capital assets	\$ (7,379,255)
Decrease in capital lease obligation	(24,867,534)
Increase in invested in capital assets	17,488,279

	For the year ended March 31, 2024
Increase in capital asset (accumulated amortization)	\$ 102,490
Decrease in capital lease obligation	(485,527)
Increase in supplies and other expenses	2,001,194
Decrease in amortization expense	(102,490)
Decrease in interest on long-term liabilities	(2,486,721)

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

3. CASH AND INVESTMENTS:

The College's cash and investments include externally restricted amounts for specific purposes that are not available to be spent at the College's discretion. The amounts available for operations are as follows:

	2025	2024
Cash	\$ 31,125,311	\$ 58,675,106
Investments	165,680,387	188,748,655
Total Cash and Investments	196,805,698	247,423,761
Less amounts related to:		
Deferred contributions (note 11)	10,806,844	8,764,782
Deferred contributions related to expenses of future periods (note 12)	9,049,688	5,545,414
Endowments (note 15)	20,889,375	19,912,789
	\$ 156,059,791	\$ 213,200,776

The Canadian bank account earns interest at prime less 1.70%. Cash is carried at fair market value.

Investments are held with the College's investment management firm and consist of the following:

	Level	2025	2024
Pooled Investments:			
Fixed income	2	\$ 15,920,880	\$ 12,754,157
Equities	2	14,596,293	13,376,077
Cash	2	375,956	497,582
Total pooled investments		30,893,129	26,627,816
Segregated investments:			
Fixed income	1	126,013,206	160,265,798
Cash	1	8,774,052	1,855,041
Total segregated investments		134,787,258	162,120,839
Total investments		\$ 165,680,387	\$ 188,748,655

The total cost of the investment portfolio is \$160,681,993 (2024 – \$190,060,568).

There were no significant transfers between Levels 1 and 2 for the years ended March 31, 2025 and 2024. There were no transfers in or out of Level 3.

Maturity profile of fixed income held is as follows:

March 31, 2025					
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	\$47,675,887	\$64,796,952	\$27,560,419	\$1,900,828	\$141,934,086
Percent of total	34%	46%	19%	1%	100%

The College's fixed income portfolio has interest rates ranging from 0.8% to 5.55%. (2024 - 0.8% to 6.18%).

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

4. LONG-TERM INVESTMENTS:

Long-term investments consist of:

			2025		2024
Investment in Land	(a)	\$	873,472	\$	873,472
Investment in Mohawk College Enterprise	(b)		477,538		446,413
		\$	1,351,010	\$	1,319,885

(a) In October 1995, the College purchased land in conjunction with Hillfield Strathallan College for undetermined future use.

(b) The College controls Mohawk College Enterprise Corporation ("MCE") and is the only registered holder of issued and outstanding MCE shares (2025 - \$100; 2024 - \$100). The financial position of MCE and the results of its operations and its cash flows are as follows:

Financial position		2025		2024
Total assets	\$	1,041,180	\$	821,214
Total liabilities		563,642		374,801
Total net assets		477,538		446,413
	\$	1,041,180	\$	821,214

Results of operations		2025		2024
Total revenue	\$	1,579,802	\$	1,419,832
Total expenses		1,548,677		1,457,550
Net income (loss) for the year		31,125		(37,718)
Surplus, beginning of year		446,313		484,031
Surplus, end of year	\$	477,438	\$	446,313

Cash flows		2025		2024
Cash flows provided by (used in) operating activities	\$	251,263	\$	(195,840)
Net cash flows	\$	251,263	\$	(195,840)

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

5. LONG-TERM RECEIVABLE:

Long-term receivables held by the College consist of the following:

	2025	2024
Student ancillary fee receivables	\$ 24,281,615	\$ 25,478,643
Less: Current portion of long-term receivable	(1,254,709)	(1,197,028)
	\$ 23,026,906	\$ 24,281,615

The annual principal and interest payments on the long-term debt incurred to finance the construction of the David Braley Athletic and Recreation Centre (the "DBARC") will be provided by the future collection of compulsory student ancillary fees. The total principal and interest payments amount has been discounted at a rate of 4.762% (2024 - 4.762%).

6. CAPITAL ASSETS:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value (Restated) (note 2)
Land	\$ 14,917,375	\$ -	\$ 14,917,375	\$ 2,243,412
Buildings	197,091,008	74,654,019	122,436,989	125,451,002
Portables & roof replacement	18,357,442	8,560,347	9,797,095	10,296,467
Major equipment	63,543,577	42,024,686	21,518,891	22,334,550
Site improvements	73,933,018	58,531,602	15,401,416	15,553,567
Furniture & equipment	25,790,597	23,029,054	2,761,543	2,924,444
Vehicles	2,163,720	1,576,047	587,673	260,804
Computers & software	33,839,637	30,408,680	3,430,957	1,408,930
	\$ 429,636,374	\$ 238,784,435	\$ 190,851,939	\$ 180,473,176

7. DEFERRED REVENUE:

Deferred revenue consists of the following:

	2025	2024
Student fees	\$ 48,481,875	\$ 89,108,318
Contracts	5,580,653	7,211,400
Ministry grants	770,845	958,581
Student residence	464,338	403,879
Other	3,364,223	2,176,483
	\$ 58,661,934	\$ 99,858,661

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

8. LONG-TERM DEBT:

	2025	2024
Unsecured loan payable to the Ontario Financing Authority at 4.762%, payable in blended semi-annual instalments of \$1,198,162, due November 25, 2038.	\$ 24,283,427	\$ 25,480,455
Unsecured loan payable to the Ontario Financing Authority at 3.855%, payable in blended semi-annual instalments of \$486,267, due November 29, 2028.	3,573,293	4,384,545
Unsecured loan payable to the Ontario Financing Authority at 4.183%, payable in blended monthly instalments of \$40,673, due September 2, 2031.	2,742,565	3,137,334
Unsecured loan payable to the Ontario Financing Authority at 3.591%, payable in blended semi-annual instalments of \$525,650, due October 26, 2033.	8,025,971	8,767,370
	38,625,256	41,769,704
Less current portion	3,248,834	3,144,448
	\$ 35,376,422	\$ 38,625,256

Principal repayments for the next five years and thereafter:

2026	\$ 3,248,834
2027	3,386,174
2028	3,528,799
2029	3,641,593
2030	2,850,617
Thereafter	21,969,239
	\$ 38,625,256

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

9. ASSET RETIREMENT OBLIGATIONS:

The College's financial statements include asset retirement obligations for the remediation of asbestos containing materials located in the College's buildings and for excavation and disposal of impacted soils on vacant land. The related asset retirement costs are being amortized on a straight-line basis. The liabilities have been estimated using a net present value technique with a discount rate ranging from 4.353% - 4.394% (2024 - 4.353%). The estimated total undiscounted future expenditures are \$8,041,702 (2024 - \$5,900,409). The liabilities are expected to be settled at some undeterminable future date.

The carrying amount of the obligations are as follows:

	2025	2024
Balance, beginning of year	\$ 4,334,384	\$ 4,153,579
Accretion: increase in obligations in current year	182,358	180,805
Additions: liabilities incurred during the year	1,518,177	-
Balance, end of year	\$ 6,034,919	\$ 4,334,384

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES:

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and related expenses.

				2025	2024
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability	Total liability
Accrued employee future benefit obligations	\$2,048,000	\$6,993,000	\$ -	\$9,041,000	\$8,466,000
Value of plan assets	(413,000)	-	-	(413,000)	(403,000)
Unamortized actuarial gains (losses)	62,000	(1,190,000)	-	(1,128,000)	(1,308,000)
Total liability	\$1,697,000	\$5,803,000	\$ -	\$7,500,000	\$6,755,000

				2025	2024
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense	Total expense
Current year benefit cost	\$ 6,000	\$ 514,000	\$ 1,000	\$ 521,000	\$ 420,000
Interest on accrued benefit obligation	4,000	243,000	1,000	248,000	204,000
Amortized actuarial losses	324,000	356,000	11,000	691,000	250,000
Total expense	\$ 334,000	\$ 1,113,000	\$ 13,000	\$ 1,460,000	\$ 874,000

The benefits paid out in the year were \$715,000 (2024 - \$667,000).

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (cont'd):

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly sponsored defined benefit plan for public colleges in Ontario and other employers across Canada. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the Plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2025 indicated an actuarial surplus on a going concern basis of \$6.1 billion.

The College made contributions to the Plan and its associated retirement compensation arrangement of \$16,232,140 (2024 - \$15,832,598), which has been included in the statement of operations.

Post-employment Benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The major actuarial assumptions employed for the valuation are as follows:

(a) Discount rate

The present value as at March 31, 2025 of the future benefits was determined using a discount rate of 3.2% (2024 - 3.5%).

(b) Hospital, Drug and other Medical costs

Hospital, drug and other medical costs were assumed to increase at a 5.91% rate for 2025 (2024 - 6.16%) and decrease proportionately thereafter to an ultimate rate of 4% in 2040 for fiscal 2025 (2024 - 4%).

(c) Dental costs

Dental costs were assumed to increase at 4% per annum for fiscal 2025 (2024 - 4%).

Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible Faculty employees, hired before April 1, 1991 and Administrative employees hired before July 1, 1974 are entitled to receive on termination or retirement, accumulated sick days multiplied by their actual daily rate to a maximum of six months' salary. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (cont'd):

Non-vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimate of expected rates of:

	2025	2024
Wage and salary escalation	2.5%	2.5 - 3%
Discount rate	3.2%	3.5%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 23.5% and 0 to 54 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

11. DEFERRED CONTRIBUTIONS:

Deferred contributions represent unspent externally restricted scholarships, bursaries, grants and donations for student awards and student assistance. It also includes unspent endowment investment income.

	2025	2024
Balance, beginning of year	\$ 8,764,782	\$ 7,096,236
Additional contributions received	7,907,973	7,159,900
Less award payments & administrative expenses	(5,865,911)	(5,491,354)
Balance, end of year	\$ 10,806,844	\$ 8,764,782

Deferred contributions are comprised of the following:

	2025	2024
Endowment interest funds and unrealized gains	\$ 7,421,445	\$ 5,361,213
Scholarships and bursaries	2,034,996	1,967,125
Joint employment stability replacement fund	692,955	646,820
Tuition set-aside funds	635,153	773,364
Ministry grants	18,769	12,614
Other	3,526	3,646
	\$ 10,806,844	\$ 8,764,782

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

12. DEFERRED CONTRIBUTIONS RELATED TO EXPENSES OF FUTURE PERIODS:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations intended to support primarily college-wide equipment and facility improvements and also provide student financial assistance.

	2025	2024
Balance, beginning of year	\$ 5,545,414	\$ 5,094,536
Additional contributions received	6,477,215	3,283,662
Less amounts recognized as revenue in the year	(2,629,762)	(2,504,085)
Less amounts recognized as deferred capital contributions	(343,179)	(328,699)
Balance, end of year	\$ 9,049,688	\$ 5,545,414

Deferred contributions related to expenses of future periods are comprised of the following:

	2025	2024
Donations	\$ 2,251,448	\$ 2,394,872
Student ancillary fees	3,929,722	3,040,368
Other	2,868,518	110,174
	\$ 9,049,688	\$ 5,545,414

13. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS:

Deferred capital contributions related to capital assets represent the unamortized amount of donations, grants and other contributions received for the purchase of capital assets.

	2025	2024
Balance, beginning of year	\$ 117,084,126	\$ 119,530,172
Additional contributions received	5,985,927	5,339,992
Plus amounts transferred from deferred contributions related to construction in progress	-	371,922
Plus amounts transferred from deferred contributions related to expenses of future periods	343,179	328,699
Less amortization in the year	(8,741,956)	(8,486,659)
Balance, end of year	\$ 114,671,276	\$ 117,084,126

Deferred contributions related to capital assets are comprised of the following:

	2025	2024
Ministry grants	\$ 54,011,042	\$ 56,117,113
Student ancillary fees - DBARC	23,253,961	24,079,365
Federal grants	17,828,411	18,467,397
Donations	16,179,511	16,031,279
Other	3,398,351	2,388,972
	\$ 114,671,276	\$ 117,084,126

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

14. INVESTMENT IN CAPITAL ASSETS:

(a) The College's investment in capital assets is calculated as follows:

	2025	2024 (Restated) (note 2)
Capital assets	\$ 190,851,939	\$ 180,473,176
Construction in progress	4,508,971	2,520,641
Investment in land	873,472	873,472
	196,234,382	183,867,289
Less:		
Current portion of long-term debt	(1,994,125)	(1,947,420)
Long-term debt	(12,255,165)	(14,249,290)
Deferred contributions related to capital assets (note 13)	(114,671,276)	(117,084,126)
Investment in capital assets	\$ 67,313,816	\$ 50,586,453

(b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024 (Restated) (note 2)
Deficiency of revenues over expenses:		
Amortization of deferred capital contributions	\$ 8,741,956	\$ 8,486,659
Amortization of capital assets	(15,152,462)	(15,222,865)
	\$ (6,410,506)	\$ (6,736,206)

	2025	2024 (Restated) (note 2)
Net change in investment of capital assets:		
Purchase of capital assets and construction in progress	\$ 26,001,378	\$ 13,055,326
Disposals of capital assets	-	(33,430)
Amounts funded by deferred capital contributions	(6,329,106)	(5,668,691)
Addition of asset retirement obligation	1,518,177	-
Repayment of term debt	1,947,420	1,818,319
Investment in capital assets	\$ 23,137,869	\$ 9,171,524

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

15. ENDOWMENT CONTRIBUTIONS:

The College has the following endowment funds:

	2025	2024
Ontario Student Opportunity Trust Funds (Schedule 3)	\$ 6,225,200	\$ 6,155,950
Ontario Trust for Student Support (Schedule 4)	8,065,335	8,060,357
Other	6,598,840	5,696,482
	\$ 20,889,375	\$ 19,912,789

Investment income on endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions. Investment income on endowed assets recognized and deferred was \$1,537,191 and \$5,462,626 respectively (2024 - \$956,712 and \$3,402,394).

16. PUBLIC-PRIVATE COLLEGE PARTNERSHIP:

The College entered into a ten-year agreement with a public-private college partner on January 25, 2021 to deliver programming as stipulated within the agreement. In the statement of operations, the related revenues are included in student fees and related expenses paid to the private partner have been reflected within contracted services and professional fees. Gross revenue from the partnership included in student fees was \$48,498,995 (2024 - \$58,496,334).

17. FINANCIAL INSTRUMENT RISK MANAGEMENT:

(a) Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio, long-term receivable, accounts receivable and grants receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100,000.

The College's investment policy operates within the constraints of the investment guidelines issued by the MCURES and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of AAA or better.

The College's maximum exposure to credit risk is representative of the carrying value of cash, investments, accounts receivable, grants receivable, current portion of long-term receivable and long-term receivable which as at March 31, 2025 totals \$245,472,128.

Included in accounts receivable are amounts due from students. Credit risk is mitigated through a financial approval process before a student is enrolled and the highly diversified nature of the student population.

Grants receivables are due from government sources. The College works to ensure that all eligibility criteria are met in order to qualify to receive the funding.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

17. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The amounts outstanding at year end were as follows:

	2025					
	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Grants receivable	\$ 7,763,740	\$ 7,763,740	\$ -	\$ -	\$ -	\$ -
Student receivables	781,791	525,510	47,276	9,868	1,000	198,137
Other receivables	15,972,255	14,257,230	1,320,896	185,468	13,396	195,265
Gross receivables	24,517,786	22,546,480	1,368,172	195,336	14,396	393,402
Less: impairment allowance	(132,971)	-	-	-	-	(132,971)
Net receivables	\$24,384,815	\$22,546,480	\$1,368,172	\$195,336	\$ 14,396	\$ 260,431

	2024					
	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Grants receivable	\$ 6,011,452	\$ 6,011,452	\$ -	\$ -	\$ -	\$ -
Student receivables	748,987	557,181	48,220	14,667	7,709	121,210
Other receivables	15,151,525	13,713,776	1,226,817	78,749	4,428	127,755
Gross receivables	21,911,964	20,282,409	1,275,037	93,416	12,137	248,965
Less: impairment allowance	(156,897)	-	-	-	-	(156,897)
Net receivables	\$21,755,067	\$20,282,409	\$1,275,037	\$ 93,416	\$ 12,137	\$ 92,068

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the MCURES. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk.

(c) Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign levels when adverse changes in foreign currency rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

17. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure the risk.

(d) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest-bearing investments and long-term debt.

The College's long-term debt is fixed rate debt as disclosed in note 8. Fluctuations in market interest rates would not impact future cash flows and operations relating to term debt.

At March 31, 2025, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$3,425,129.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(e) Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2025, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of \$1,459,629. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(f) Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk. The following table sets out the expected maturities, representing undiscounted cash-flows of financial liabilities:

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

17. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd.):

	2025		
	Within 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 42,147,984	\$ -	\$ -
Long-term debt	3,248,834	13,407,183	21,969,239
	\$ 45,396,818	\$ 13,407,183	\$ 21,969,239

	2024		
	Within 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 50,409,792	\$ -	\$ -
Long-term debt	3,144,448	13,805,400	24,819,856
	\$ 53,554,240	\$ 13,805,400	\$ 24,819,856

The maturity profile of bonds and GICs held are disclosed in note 3.

18. COMMITMENTS:

(a) Leases

The College's commitments to annual rental payments in the aggregate and in each of the next five years principally as a result of premise rental leases are as follows:

2026	\$ 3,651,615
2027	3,425,536
2028	3,449,936
2029	3,474,823
2030	3,500,209
	\$ 17,502,119

(b) Student residence

The College has committed to annual payments by way of a property management agreement with Collegiate Management Services Corp. until December 20, 2085. The property management fees will be adjusted for inflation using the Consumer Price Index annually. The annual property management fee is \$857,486 (2024 - \$838,207).

19. THE MOHAWK COLLEGE FOUNDATION:

The College has an economic interest in the Mohawk College Foundation (the "Foundation"), which raises funds from the community and alumni to finance certain expenses of the College. The Foundation's accounts are not included in these financial statements. The Foundation is incorporated under the Province of Ontario as a public foundation and is a registered charity under the Income Tax Act. During the year, an amount of \$5,251,722 (2024 - \$3,675,872), including \$2,672,680 of in-kind donations (2024 - \$306,514) was received from the Foundation.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2025

20. INTERNATIONAL STUDY PERMITS:

On January 22, 2024, the Government of Canada (the "Government") announced an intake cap on international student permit applications, resulting in a 35% reduction of approved study permits from 2023. On September 18, 2024, the Government announced a further reduction to the intake cap on international student study permits for 2025 of 10% from the approved 2024 target. The 2025 cap will be maintained at the same level for 2026. Also included in this announcement was a change to post-graduation work permits ("PGWPs"), aligning work permit eligibility to labour market needs, resulting in a significant reduction of programs eligible for PGWPs.

As a result of these policy changes, students at Mohawk's public-private college partnership campus will no longer be eligible for post-graduation work permits, which affects the sustainability of this partnership. The last planned enrolment at this campus will be in 2025-2026, which represents the flow-through enrolment from the last intake in spring 2024.

A significant portion of the College's tuition revenue is derived from international students and the College has assessed the impact of these announcements on its ability to earn revenue from international students and its approved capital and operating budget for the year ending March 31, 2026. Management has also assessed its operational and liquidity risks and believes there are no significant issues, given the College has a strong working capital base and access to liquid resources to support continued operations in the coming year.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Operating Grants, Ancillary and Other Revenue
For the year ended March 31, 2025, with comparative figures for 2024

Schedule 1

	2025	2024
OPERATING GRANTS REVENUE		
General operating and capital grants	\$ 76,233,472	\$ 66,613,415
Apprenticeship	13,231,322	12,111,687
Federal projects	7,240,585	14,019,624
Collaborative program grants	6,655,964	6,842,215
Employment Services	1,996,190	1,950,561
Literacy & Basic Skills	1,416,566	1,496,812
School College Works Initiative	1,402,828	1,345,255
Disability Services	912,826	855,772
Aboriginal grants	679,208	747,129
Municipal tax grant	562,200	563,175
Termination gratuities	-	63,345
Other	1,724,484	570,777
	<u>112,055,645</u>	<u>107,179,767</u>
ANCILLARY REVENUE		
Parking	4,698,746	4,161,830
Student residence	4,240,989	3,977,091
Campus stores	2,959,230	3,083,767
Facility rentals	1,432,825	1,082,083
Food services	618,093	377,626
Student life	524,846	436,179
Athletic and recreation centre	136,565	88,391
Other	123,978	76,843
	<u>14,735,272</u>	<u>13,283,810</u>
OTHER REVENUE		
Investment income	7,088,801	8,138,451
Contract projects	5,145,372	7,832,216
Miscellaneous	2,292,729	1,929,430
Donations	1,620,850	1,453,851
Special events	424,779	180,728
Student government	198,050	357,999
	<u>\$ 16,770,581</u>	<u>\$ 19,892,675</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY**Analysis of Ancillary Expenditures****For the year ended March 31, 2025, with comparative figures for 2024****Schedule 2**

	2025	2024
Salaries and benefits	\$ 3,073,778	\$ 2,669,775
Cost of sales	2,038,161	2,344,408
Contracted services and professional fees	2,769,530	2,380,808
Supplies and other expenses	5,271,221	3,106,089
Utilities, maintenance and taxes	1,190,553	858,565
	<u>\$ 14,343,243</u>	<u>\$ 11,359,645</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF I)
For the year ended March 31, 2025, with comparative figures for 2024

Schedule 3

	2025	2024
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 6,088,722	\$ 6,076,022
Cash donations received	69,250	12,700
Fund Balance, end of year	<u>6,157,972</u>	<u>6,088,722</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,286,935	1,234,926
Investment income, net of related expenses	493,148	330,584
Cash donations received	-	75
Awards issued (2025-#252; 2024-#292)	(242,050)	(278,650)
Balance, end of year	<u>\$ 1,538,033</u>	<u>\$ 1,286,935</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2025 were \$6,157,972 and \$2,628,467 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF II)
For the year ended March 31, 2025, with comparative figures for 2024

	2025	2024
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning and end of year	<u>\$ 67,228</u>	<u>\$ 67,228</u>
Expendable Funds Available for Awards		
Balance, beginning of year	49,800	44,750
Investment income, net of related expenses	7,583	5,050
Balance, end of year	<u>\$ 57,383</u>	<u>\$ 49,800</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2025 were \$67,228 and \$64,537 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Trust for Student Support (OTSS)
For the year ended March 31, 2025, with comparative figures for 2024

Schedule 4

	2025	2024
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 8,060,357	\$ 8,059,357
Cash donations received	4,978	1,000
Fund Balance, end of year	<u>8,065,335</u>	<u>8,060,357</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,284,712	1,135,046
Investment income, net of related expenses	631,560	403,504
Cash donations received	6,500	7,500
Awards issued (2025-#188; 2024-#186)	(285,532)	(261,338)
Balance, end of year	<u>\$ 1,637,240</u>	<u>\$ 1,284,712</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2025 were \$8,065,335 and \$2,995,536 respectively.