



2026 Financial Statements

March 31, 2026



THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

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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.

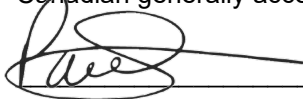
The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately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

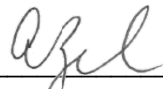
The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit, Finance and Infrastructure 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, 2026



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2026
- 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, 2026, and its results of operations, its changes in net financial assets, its cash flows, and its remeasurement of 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 auditor's 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 ethical 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.



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 Responsibilities 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 10, 2026

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2025, with comparative figures for 2024

Statement 1

		<u>2026</u>	<u>2025</u>
ASSETS			
Current			
Cash	(note 2)	\$ 9,249,415	\$ 31,125,311
Investments	(note 2)	173,675,602	165,680,387
Accounts receivable		14,078,854	16,621,075
Grants receivable		7,900,984	7,763,740
Inventories		690,130	663,732
Prepaid expenses and other assets		9,279,635	10,944,825
Current portion of long-term receivable	(note 4)	1,315,170	1,254,709
		<u>216,189,790</u>	<u>234,053,779</u>
Long-term			
Long-term investments	(note 3)	1,489,193	1,351,010
Long-term receivable	(note 4)	21,711,736	23,026,906
Construction in progress	(note 5)	14,393,363	4,508,971
Capital assets	(note 6)	180,852,190	190,851,939
		<u>218,446,482</u>	<u>219,738,826</u>
		<u>\$ 434,636,272</u>	<u>\$ 453,792,605</u>
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 43,934,464	\$ 42,147,984
Deferred revenue	(note 7)	40,156,549	58,661,934
Vacation pay		10,295,987	10,169,850
Current portion of long-term debt	(note 8)	3,386,174	3,248,834
		<u>97,773,174</u>	<u>114,228,602</u>
Long-Term Liabilities			
Long-term debt	(note 8)	31,990,248	35,376,422
Asset retirement obligations	(note 9)	6,285,469	6,034,919
Post-employment benefits and compensated absences	(note 10)	8,059,000	7,500,000
		<u>46,334,717</u>	<u>48,911,341</u>
Deferred Contributions			
Deferred contributions	(note 11)	13,821,124	10,806,844
Deferred contributions related to construction in progress	(note 12)	751,066	-
Deferred contributions related to expenses of future periods	(note 13)	8,751,278	9,049,688
Deferred contributions related to capital assets	(note 14)	110,357,457	114,671,276
		<u>133,680,925</u>	<u>134,527,808</u>
Net Assets (statement 3)			
Net assets invested in capital assets	(note 15)	72,755,337	67,313,816
Unrestricted net assets:			
Operating		15,484,938	16,844,040
Vacation pay		(10,295,987)	(10,169,850)
Post-employment benefits and compensated absences		(8,059,000)	(7,500,000)
Restricted net assets:			
Internally restricted assets		62,200,000	67,000,000
Endowment contributions	(note 16)	22,604,967	20,889,375
		<u>154,690,255</u>	<u>154,377,381</u>
Accumulated remeasurement gains (losses) (statement 5)		2,157,201	1,747,473
		<u>156,847,456</u>	<u>156,124,854</u>
		<u>\$ 434,636,272</u>	<u>\$ 453,792,605</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, 2026

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Operations
For the year ended March 31, 2026, with comparative figures for 2025

Statement 2

		<u>2026</u>	<u>2025</u>
REVENUE			
Grants	(schedule 1)	\$ 115,440,124	\$ 112,055,645
Student fees	(note 17)	123,294,563	201,918,163
Ancillary	(schedule 1)	13,933,207	14,675,999
Amortization of deferred contributions		6,389,220	5,865,911
Amortization of deferred contributions related to capital assets		9,046,824	8,741,956
Other	(schedule 1)	15,954,533	16,829,854
		<u>284,058,471</u>	<u>360,087,528</u>
EXPENSES			
Salaries and benefits		184,484,441	210,468,835
Contracted services and professional fees		27,776,641	60,612,565
Supplies and other expenses		18,269,675	24,430,858
Utilities, maintenance and taxes		11,864,963	12,664,920
Instructional supplies		8,361,485	9,077,646
Ancillary	(schedule 2)	11,160,159	14,075,043
Scholarship, bursary and award payments		6,389,220	5,865,911
Amortization expense		15,535,926	15,152,462
Interest on long-term liabilities		1,618,679	1,753,658
		<u>285,461,189</u>	<u>354,101,898</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES		<u>\$ (1,402,718)</u>	<u>\$ 5,985,630</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, 2026, with comparative figures for 2025

Statement 3

	2026					
	Invested in capital assets (note 15)	Unrestricted operating	Vacation & post-employment benefits & compensated absences	Internally restricted	Endowment contributions (note 16)	Total
Balance, beginning of year	\$ 67,313,816	\$ 16,844,040	\$ (17,669,850)	\$ 67,000,000	\$ 20,889,375	\$ 154,377,381
(Deficiency) excess of revenue over expenses	(6,489,102)	5,906,197	(685,137)	(134,676)	-	(1,402,718)
Investment in capital assets	11,930,623	(2,742,255)	-	(9,188,368)	-	-
Change in internally imposed restrictions	-	(4,523,044)	-	4,523,044	-	-
Endowment contributions	-	-	-	-	1,715,592	1,715,592
Balance, end of year	<u>\$ 72,755,337</u>	<u>\$ 15,484,938</u>	<u>\$ (18,354,987)</u>	<u>\$ 62,200,000</u>	<u>\$ 22,604,967</u>	<u>\$ 154,690,255</u>

	2025					
	Invested in capital assets (note 15)	Unrestricted operating	Vacation & post-employment benefits & compensated absences	Internally restricted	Endowment contributions (note 16)	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>

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, 2026, with comparative figures for 2025

Statement 4

	2026	2025
Cash provided by (used in):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (1,402,718)	\$ 5,985,630
Items not involving cash:		
Amortization expense	15,535,926	15,152,462
Accretion expense (note 9)	250,550	182,358
Net income of Mohawk College Enterprise (note 3)	(138,183)	(31,125)
Increase in post-employment benefits and compensated absences (note 10)	559,000	745,000
Gain on disposal of capital assets	(47,914)	(21,396)
Amortization of deferred contributions related to capital assets	(9,046,824)	(8,741,956)
	<u>5,709,837</u>	<u>13,270,973</u>
Changes in non-cash working capital items:		
Accounts receivable	2,542,221	(877,460)
Grants receivable	(137,244)	(1,752,288)
Inventories	(26,398)	496,366
Prepaid expenses and other assets	1,665,190	(2,279,825)
Accounts payable and accrued liabilities	1,786,480	(8,261,808)
Deferred revenue	(18,505,385)	(41,196,727)
Vacation pay	126,137	39,878
	<u>(6,839,162)</u>	<u>(40,560,891)</u>
INVESTING ACTIVITIES		
(Purchase) sale of investments, net	(7,585,487)	28,086,470
Long-term receivable	1,254,709	1,197,028
	<u>(6,330,778)</u>	<u>29,283,498</u>
CAPITAL ACTIVITIES		
Purchase of capital assets	(5,544,820)	(21,554,049)
Proceeds from sale of capital assets	56,557	21,396
Contributions for capital purposes	4,733,005	5,985,927
Construction in progress, net of deferred contributions	(9,884,392)	(4,447,329)
	<u>(10,639,650)</u>	<u>(19,994,055)</u>
FINANCING ACTIVITIES		
Contributions for endowment	1,715,592	976,586
Contributions for other restricted purposes, net	3,014,280	2,042,062
Contributions for expenses of future periods, net	452,656	3,847,453
Repayment of long-term debt	(3,248,834)	(3,144,448)
	<u>1,933,694</u>	<u>3,721,653</u>
DECREASE IN CASH	<u>(21,875,896)</u>	<u>(27,549,795)</u>
CASH, BEGINNING OF YEAR	<u>31,125,311</u>	<u>58,675,106</u>
CASH, END OF YEAR	<u>\$ 9,249,415</u>	<u>\$ 31,125,311</u>

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, 2026, with comparative figures for 2025

Statement 5

	<u>2026</u>	<u>2025</u>
Accumulated remeasurement gains (losses), beginning of year	\$ 1,747,473	\$ (3,270,729)
Gains attributable to:		
Investments	781,292	5,229,685
Amounts reclassified to the statement of operations:		
Disposition of investments	(371,564)	(211,483)
Net remeasurement gains for the year	<u>409,728</u>	<u>5,018,202</u>
Accumulated remeasurement gains, end of year	<u>\$ 2,157,201</u>	<u>\$ 1,747,473</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, 2026

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, 2026

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 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, 2026

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 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.

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 MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

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.

2. 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:

	2026	2025
Cash	\$ 9,249,415	\$ 31,125,311
Investments	173,675,602	165,680,387
Total Cash and Investments	182,925,017	196,805,698
Less amounts related to:		
Deferred contributions (note 11)	13,821,124	10,806,844
Deferred contributions related to expenses of future periods (note 13)	8,751,278	9,049,688
Endowments (note 16)	22,604,967	20,889,375
	\$ 137,747,648	\$ 156,059,791

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

2. CASH AND INVESTMENTS (continued):

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	2026	2025
Pooled Investments:			
Fixed income	2	\$ 17,320,077	\$ 15,920,880
Equities	2	17,790,635	14,596,293
Cash	2	333,455	375,956
Total pooled investments		35,444,167	30,893,129
Segregated investments:			
Fixed income	1	122,891,950	126,013,206
Cash	1	15,339,485	8,774,052
Total segregated investments		138,231,435	134,787,258
Total investments		\$ 173,675,602	\$ 165,680,387

The total cost of the investment portfolio is \$166,429,491 (2025 – \$160,681,993).

There were no significant transfers between Levels 1 and 2 for the years ended March 31, 2026 and 2025. There were no transfers in or out of Level 3.

Maturity profile of fixed income held is as follows:

	March 31, 2026				Total
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	
Carrying value	\$36,263,522	\$78,044,392	\$24,123,771	\$1,780,342	\$140,212,027
Percent of total	26%	56%	17%	1%	100%

The College's fixed income portfolio has interest rates ranging from 0.9% to 5.00%. (2025 - 0.8% to 5.55%).

3. LONG-TERM INVESTMENTS:

Long-term investments consist of:

		2026	2025
Investment in Land	(a)	\$ 873,472	\$ 873,472
Investment in Mohawk College Enterprise	(b)	615,721	477,538
		\$ 1,489,193	\$ 1,351,010

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

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

3. LONG-TERM INVESTMENTS (continued):

(b) The College controls Mohawk College Enterprise Corporation ("MCE") and is the only registered holder of issued and outstanding MCE shares (2026 - \$100; 2025 - \$100). The financial position of MCE and the results of its operations and its cash flows are as follows:

Financial position	2026	2025
Total assets	\$ 1,004,371	\$ 1,041,180
Total liabilities	388,650	563,642
Total net assets	615,721	477,538
	\$ 1,004,371	\$ 1,041,180

Results of operations	2026	2025
Total revenue	\$ 1,949,411	\$ 1,579,802
Total expenses	1,811,228	1,548,677
Net income for the year	138,183	31,125
Surplus, beginning of year	477,438	446,313
Surplus, end of year	\$ 615,621	\$ 477,438

Cash flows	2026	2025
Cash flows provided by operating activities	\$ 223,496	\$ 251,263
Net cash flows	\$ 223,496	\$ 251,263

4. LONG-TERM RECEIVABLES:

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

	2026	2025
Student ancillary fee receivables	\$ 23,026,906	\$ 24,281,615
Less: Current portion of long-term receivable	(1,315,170)	(1,254,709)
	\$ 21,711,736	\$ 23,026,906

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% (2025 - 4.762%).

5. CONSTRUCTION IN PROGRESS:

Construction in progress represents costs incurred to date for i) software under development \$13,642,297 (2025 - \$4,508,971) and ii) other miscellaneous construction projects \$751,066 (2025 - \$nil).

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

6. CAPITAL ASSETS:

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Land	\$ 14,917,375	\$ -	\$ 14,917,375	\$ 14,917,375
Buildings	197,091,008	79,351,925	117,739,083	122,436,989
Portables & roof replacement	19,295,610	9,484,963	9,810,647	9,797,095
Major equipment	65,532,064	46,309,509	19,222,555	21,518,891
Site improvements	74,930,237	61,314,418	13,615,819	15,401,416
Furniture & equipment	26,225,909	23,832,990	2,392,919	2,761,543
Vehicles	2,079,832	1,649,810	430,022	587,673
Computers & software	33,633,612	30,909,842	2,723,770	3,430,957
	\$ 433,705,647	\$ 252,853,457	\$ 180,852,190	\$ 190,851,939

7. DEFERRED REVENUE:

Deferred revenue consists of the following:

	2026	2025
Student fees	\$ 30,947,045	\$ 48,481,875
Contracts	5,294,540	5,580,653
Ministry grants	721,998	770,845
Student residence	427,575	464,338
Other	2,765,391	3,364,223
	\$ 40,156,549	\$ 58,661,934

8. LONG-TERM DEBT:

	2026	2025
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.	\$ 23,028,718	\$ 24,283,427
Unsecured loan payable to the Ontario Financing Authority at 3.855%, payable in blended semi-annual instalments of \$486,267, due November 29, 2028.	2,730,465	3,573,293
Unsecured loan payable to the Ontario Financing Authority at 4.183%, payable in blended monthly instalments of \$40,673, due September 2, 2031.	2,361,969	2,742,565
Unsecured loan payable to the Ontario Financing Authority at 3.591%, payable in blended semi-annual instalments of \$525,650, due October 26, 2033.	7,255,270	8,025,971
	35,376,422	38,625,256
Less current portion	3,386,174	3,248,834
	\$ 31,990,248	\$ 35,376,422

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

8. LONG-TERM DEBT (continued):

Principal repayments for the next five years and thereafter:

2027	\$	3,386,174
2028		3,528,799
2029		3,641,593
2030		2,850,617
2031		3,014,029
Thereafter		18,955,210
	\$	35,376,422

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% (2025 - 4.353 - 4.394%). The estimated total undiscounted future expenditures are \$8,041,702 (2025 - \$8,041,702). The liabilities are expected to be settled at some undeterminable future date.

The carrying amount of the obligations are as follows:

	2026	2025
Balance, beginning of year	\$ 6,034,919	\$ 4,334,384
Accretion: increase in obligations in current year	250,550	182,358
Additions: liabilities incurred during the year	-	1,518,177
Balance, end of year	\$ 6,285,469	\$ 6,034,919

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

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.

			2026	2025
	Post-employment benefits	Non-vesting sick leave	Total liability	Total liability
Accrued employee future benefit obligations	\$ 2,060,000	\$ 6,687,000	\$ 8,747,000	\$ 9,041,000
Value of plan assets	(428,000)	-	(428,000)	(413,000)
Unamortized actuarial gains (losses)	96,000	(356,000)	(260,000)	(1,128,000)
Total liability	\$ 1,728,000	\$ 6,331,000	\$ 8,059,000	\$ 7,500,000

			2026	2025
	Post-employment benefits	Non-vesting sick leave	Total expense	Total expense
Current year benefit cost	\$ 7,000	\$ 545,000	\$ 552,000	\$ 521,000
Interest on accrued benefit obligation	4,000	232,000	236,000	248,000
Amortized actuarial losses	27,000	356,000	383,000	691,000
Total expense	\$ 38,000	\$ 1,133,000	\$ 1,171,000	\$ 1,460,000

The benefits paid out in the year were \$612,000 (2025 - \$715,000).

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

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.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued):

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, 2026 indicated an actuarial surplus on a going concern basis of \$6.7 billion.

The College made contributions to the Plan and its associated retirement compensation arrangement of \$14,400,055 (2025 - \$16,232,140), 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, 2026 of the future benefits was determined using a discount rate of 3.5% (2025 – 3.2%).

(b) Hospital, Drug and other Medical costs

Hospital, drug and other medical costs were assumed to increase at a 5.91% rate for 2026 (2025 – 5.91%) and decrease proportionately thereafter to an ultimate rate of 4% in 2040 for fiscal 2026 (2025 - 4%).

(c) Dental costs

Dental costs were assumed to increase at 4% per annum for fiscal 2026 (2025 - 4%).

Compensated Absences

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 MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued):

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

	2026	2025
Wage and salary escalation	2.0%	2.5%
Discount rate	3.5%	3.2%

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 26.2% and 0 to 55 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.

	2026	2025
Balance, beginning of year	\$ 10,806,844	\$ 8,764,782
Additional contributions received	9,403,500	7,907,973
Less award payments & administrative expenses	(6,389,220)	(5,865,911)
Balance, end of year	\$13,821,124	\$ 10,806,844

Deferred contributions are comprised of the following:

	2026	2025
Endowment interest funds and unrealized gains	\$ 10,661,077	\$ 7,421,445
Scholarships and bursaries	2,050,805	2,034,996
Joint employment stability replacement fund	687,598	692,955
Tuition set-aside funds	402,318	635,153
Other	19,326	22,295
	\$ 13,821,124	\$ 10,806,844

12. DEFERRED CONTRIBUTIONS RELATED TO CONSTRUCTION IN PROGRESS:

	2026	2025
Balance, beginning of year	\$ -	\$ -
Plus amounts transferred from deferred contributions related to expenses of future periods	751,066	-
Balance, end of year	\$ 751,066	\$ -

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

13. 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.

	2026	2025
Balance, beginning of year	\$ 9,049,688	\$ 5,545,414
Additional contributions received	3,131,954	6,477,215
Less amounts recognized as revenue in the year	(2,679,298)	(2,629,762)
Less amounts recognized as deferred capital contributions	-	(343,179)
Less amounts transferred to deferred contributions related to construction in progress	(751,066)	-
Balance, end of year	\$ 8,751,278	\$ 9,049,688

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

	2026	2025
Donations	\$ 1,802,611	\$ 2,251,448
Student ancillary fees	4,415,602	3,929,722
Other	2,533,065	2,868,518
	\$ 8,751,278	\$ 9,049,688

14. 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.

	2026	2025
Balance, beginning of year	\$ 114,671,276	\$ 117,084,126
Additional contributions received	4,733,005	5,985,927
Plus amounts transferred from deferred contributions related to expenses of future periods	-	343,179
Less amortization in the year	(9,046,824)	(8,741,956)
Balance, end of year	\$ 110,357,457	\$ 114,671,276

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

	2026	2025
Ministry grants	\$ 52,078,550	\$ 54,011,042
Student ancillary fees - DBARC	22,438,004	23,253,961
Federal grants	17,086,085	17,828,411
Donations	15,314,790	16,179,511
Other	3,440,028	3,398,351
	\$ 110,357,457	\$ 114,671,276

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

15. INVESTMENT IN CAPITAL ASSETS:

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

	2026	2025
Capital assets	\$ 180,852,190	\$ 190,851,939
Construction in progress	14,393,363	4,508,971
Investment in land	873,472	873,472
	196,119,025	196,234,382
Less:		
Current portion of long-term debt	(2,071,004)	(1,994,125)
Long-term debt	(10,184,161)	(12,255,165)
Deferred contributions related to construction in progress (note 12)	(751,066)	-
Deferred contributions related to capital assets (note 14)	(110,357,457)	(114,671,276)
Investment in capital assets	\$ 72,755,337	\$ 67,313,816

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

	2026	2025
Deficiency of revenues over expenses:		
Amortization of deferred capital contributions related to capital assets	\$ 9,046,824	\$ 8,741,956
Amortization of capital assets	(15,535,926)	(15,152,462)
	\$ (6,489,102)	\$ (6,410,506)

	2026	2025
Net change in investment of capital assets:		
Purchase of capital assets and construction in progress	\$ 15,429,212	\$ 26,001,378
Disposals of capital assets	(8,643)	-
Amounts funded by deferred capital contributions	(5,484,071)	(6,329,106)
Addition of asset retirement obligation	-	1,518,177
Repayment of term debt	1,994,125	1,947,420
Investment in capital assets	\$ 11,930,623	\$ 23,137,869

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

16. ENDOWMENT CONTRIBUTIONS:

The College has the following endowment funds:

	2026	2025
Ontario Student Opportunity Trust Funds (Schedule 3)	\$ 6,225,200	\$ 6,225,200
Ontario Trust for Student Support (Schedule 4)	8,177,792	8,065,335
Other	8,201,975	6,598,840
	\$ 22,604,967	\$ 20,889,375

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 \$1,654,354 and \$5,572,164 respectively (2025 - \$1,537,191 and \$5,462,626).

17. 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 \$12,670,137 (2025 - \$48,498,995).

18. 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, 2026 totals \$227,931,761.

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.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

18. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued):

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 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:

			2026			
	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Grants receivable	\$ 7,900,984	\$ 7,900,984	\$ -	\$ -	\$ -	-
Student receivables	799,068	154,438	426,668	18,800	-	199,162
Other receivables	13,411,010	11,914,859	1,368,934	40,218	6,468	80,531
Gross receivables	22,111,062	19,970,281	1,795,602	59,018	6,468	279,693
Less: impairment allowance	(131,224)	-	-	-	-	(131,224)
Net receivables	\$21,979,838	\$19,970,281	\$ 1,795,602	\$ 59,018	\$ 6,468	\$ 148,469

			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

(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.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

18. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued):

(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.

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, 2026, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$3,053,603.

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, 2026, 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 \$1,779,064. 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, 2026

18. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued):

	2026		
	Within 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 43,934,464	\$ -	\$ -
Long-term debt	3,386,174	13,035,038	18,955,210
	\$ 47,320,638	\$ 13,035,038	\$ 18,955,210

	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

The maturity profile of bonds and GICs held are disclosed in note 2.

19. 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:

2027	\$ 3,526,053
2028	3,551,486
2029	3,577,346
2030	3,604,417
2031	3,632,307
	\$ 17,891,609

(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 \$878,073 (2025 - \$857,486).

20. 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 \$4,919,566 (2025 - \$5,251,722), including \$422,060 of in-kind donations (2025 - \$2,672,680) was received from the Foundation.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

21. COMPARATIVE INFORMATION:

Certain prior year information has been reclassified to confirm with current year's presentation. The reclassifications have no effect on previously reported surplus.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Operating Grants, Ancillary and Other Revenue
For the year ended March 31, 2026, with comparative figures for 2025

Schedule 1

	<u>2026</u>	<u>2025</u>
OPERATING GRANTS REVENUE		
General operating and capital grants	\$ 82,101,855	\$ 76,233,472
Apprenticeship	13,561,363	13,231,322
Federal projects	7,947,402	7,240,585
Collaborative program grants	6,843,088	6,655,964
School College Works Initiative	1,342,981	1,402,828
Disability Services	931,952	912,826
Aboriginal grants	679,208	679,208
Municipal tax grant	592,950	562,200
Literacy & Basic Skills	381,638	1,416,566
Employment Services	31,035	1,996,190
Other	1,026,652	1,724,484
	<u>115,440,124</u>	<u>112,055,645</u>
ANCILLARY REVENUE		
Parking	4,466,134	4,698,746
Student residence	4,018,308	4,240,989
Campus stores	2,845,555	2,959,230
Facility rentals	1,221,595	1,432,825
Food services	646,102	618,093
Summer camp	493,296	524,846
Athletic and recreation centre	187,756	136,565
Other	54,461	64,705
	<u>13,933,207</u>	<u>14,675,999</u>
OTHER REVENUE		
Contract projects	5,189,534	5,145,372
Investment income	5,038,334	7,088,801
Miscellaneous	3,103,880	2,352,002
Donations	2,065,974	1,620,850
Special events	293,348	424,779
Student government	263,463	198,050
	<u>\$ 15,954,533</u>	<u>\$ 16,829,854</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ancillary Expenditures
For the year ended March 31, 2026, with comparative figures for 2025

Schedule 2

	<u>2026</u>	<u>2025</u>
Salaries and benefits	\$ 2,683,896	\$ 2,914,713
Cost of sales	2,119,696	2,038,161
Contracted services and professional fees	2,238,140	2,769,530
Supplies and other expenses	3,150,537	5,162,086
Utilities, maintenance and taxes	967,890	1,190,553
	<u>\$ 11,160,159</u>	<u>\$ 14,075,043</u>

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF I)
For the year ended March 31, 2026, with comparative figures for 2025

Schedule 3

	<u>2026</u>	<u>2025</u>
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 6,157,972	\$ 6,088,722
Cash donations received	-	69,250
Fund Balance, end of year	<u>6,157,972</u>	<u>6,157,972</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,538,033	1,286,935
Investment income, net of related expenses	528,450	493,148
Awards issued (2026-#252; 2025-#252)	(245,300)	(242,050)
Balance, end of year	<u>\$ 1,821,183</u>	<u>\$ 1,538,033</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2026 were \$6,157,972 and \$3,503,968 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Student Opportunity Trust Fund (OSOTF II)
For the year ended March 31, 2026, with comparative figures for 2025

	<u>2026</u>	<u>2025</u>
	(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	57,383	49,800
Investment income, net of related expenses	7,961	7,583
Balance, end of year	<u>\$ 65,344</u>	<u>\$ 57,383</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2026 were \$67,228 and \$71,617 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Analysis of Ontario Trust for Student Support (OTSS)
For the year ended March 31, 2026, with comparative figures for 2025

Schedule 4

	2026	2025
	(Book Value)	(Book Value)
Endowment Fund Balance		
Fund Balance, beginning of year	\$ 8,065,335	\$ 8,060,357
Cash donations received	112,457	4,978
Fund Balance, end of year	<u>8,177,792</u>	<u>8,065,335</u>
Expendable Funds Available for Awards		
Balance, beginning of year	1,637,240	1,284,712
Investment income, net of related expenses	641,747	631,560
Cash donations received	6,500	6,500
Awards issued (2026-#215; 2025-#188)	(353,210)	(285,532)
Balance, end of year	<u>\$ 1,932,277</u>	<u>\$ 1,637,240</u>

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2026 were \$8,177,792 and \$4,025,481 respectively.