



2022
Financial
Statements
March 31, 2022

THE MOHAWK COLLEGE FOUNDATION

FINANCIAL STATEMENTS

I N D E X

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Independent Auditor's Report

To the Board of Directors of The Mohawk College Foundation

Qualified Opinion

We have audited the financial statements of The Mohawk College Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2022, the statement of operations and changes in fund balances, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of The Mohawk College Foundation as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, The Mohawk College Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of The Mohawk College Foundation. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenues, (deficiency) excess of revenues over expenditures and cash flows from operations for the year ended March 31, 2022, assets as at March 31, 2022 and fund balances as at April 1, 2021 and March 31, 2022. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Foundation 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 qualified audit opinion.

Other Matter

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on June 29, 2021, for the reasons described in the Basis for Qualified Opinion paragraph.

Independent Auditor's Report (Continued)

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 these 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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

We 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 28, 2022

THE MOHAWK COLLEGE FOUNDATION
Statement of Financial Position
March 31, 2022, with comparative information for 2021

	General Fund \$	Restricted Funds \$	Total 2022 \$	Total 2021 \$
ASSETS				
CURRENT				
Investments	2,441,405	214,782	2,656,187	2,347,917
Accounts receivable	1,496	-	1,496	4,963
Due from Mohawk College (note 2)	-	3,829	3,829	108,961
Prepaid expenses	23,616	-	23,616	46,989
Donated artwork	1	-	1	1
	<u>2,466,518</u>	<u>218,611</u>	<u>2,685,129</u>	<u>2,508,831</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities (note 3)	114,281	49	114,330	128,418
Deferred revenue	1,570	-	1,570	1,680
Due to Mohawk College (note 2)	232,156	-	232,156	-
	<u>348,007</u>	<u>49</u>	<u>348,056</u>	<u>130,098</u>
NET ASSETS				
Unrestricted	2,118,511	-	2,118,511	2,163,951
Restricted (note 4)	-	218,562	218,562	214,782
	<u>2,118,511</u>	<u>218,562</u>	<u>2,337,073</u>	<u>2,378,733</u>
	<u>2,466,518</u>	<u>218,611</u>	<u>2,685,129</u>	<u>2,508,831</u>

See accompanying notes to financial statements.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:


Glen Steeves, Board Chair
 June 28, 2022


Ron McKerlie, President
 June 28, 2022

THE MOHAWK COLLEGE FOUNDATION
Statement of Operations and Changes in Fund Balances
For the year ended March 31, 2022, with comparative information for 2021

	General Fund \$	Restricted Funds \$	Total 2022 \$	Total 2021 \$
REVENUE				
Cash donations	1,808,064	-	1,808,064	1,599,299
Donations from Mohawk College	1,000,000	-	1,000,000	1,000,000
Donations of other assets (note 5)	332,832	-	332,832	1,074,229
Investment income (note 6)	187,954	19,653	207,607	372,635
Other revenue	170,050	-	170,050	415,028
	<u>3,498,900</u>	<u>19,653</u>	<u>3,518,553</u>	<u>4,461,191</u>
EXPENDITURES				
Donations of cash to Mohawk College	1,849,482	15,121	1,864,603	1,674,550
Donations of other assets (note 5)	332,832	-	332,832	1,074,229
Salaries and benefits	1,158,319	-	1,158,319	1,060,529
Contract services and professional fees	109,402	752	110,154	69,397
Supplies and other expenses	36,377	-	36,377	49,985
Promotion and public relations	57,516	-	57,516	56,995
Travel and professional development	412	-	412	1,585
	<u>3,544,340</u>	<u>15,873</u>	<u>3,560,213</u>	<u>3,987,270</u>
(Deficiency) excess of revenue over expenditures	(45,440)	3,780	(41,660)	473,921
Fund balances, beginning of year	2,163,951	214,782	2,378,733	1,904,812
Fund balances, end of year	<u>2,118,511</u>	<u>218,562</u>	<u>2,337,073</u>	<u>2,378,733</u>

See accompanying notes to financial statements.

THE MOHAWK COLLEGE FOUNDATION**Statement of Cash Flows****For the year ended March 31, 2022, with comparative information for 2021**

	General Fund \$	Restricted Funds \$	Total 2022 \$	Total 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
(Deficiency) excess of revenue over expenditures	(45,440)	3,780	(41,660)	473,921
Items not involving cash:				
Unrealized gain on investment (note 6)	(56,001)	(5,856)	(61,857)	(299,757)
	(101,441)	(2,076)	(103,517)	174,164
Changes in non-cash working capital items:				
Accounts receivable	3,466	1	3,467	(2,213)
Prepaid expenses	23,373	-	23,373	(27,586)
Accounts payable and accrued liabilities	(14,073)	(15)	(14,088)	33,141
Deferred revenue	(110)	-	(110)	(2,720)
	(88,785)	(2,090)	(90,875)	174,786
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investments, net	(244,608)	(1,805)	(246,413)	(129,760)
CASH FLOW FROM FINANCING ACTIVITIES				
Advances from (to) Mohawk College	333,393	3,895	337,288	(45,026)
INCREASE (DECREASE) IN CASH	-	-	-	-
CASH, BEGINNING AND END OF YEAR	-	-	-	-

See accompanying notes to financial statements.

THE MOHAWK COLLEGE FOUNDATION
Notes to Financial Statements
For the year ended March 31, 2022

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Operations

The Mohawk College Foundation (the "Foundation") was incorporated without share capital under the laws of Ontario to solicit donations and to operate a series of funds to be used exclusively for the advancement of learning and dissemination of knowledge at The Mohawk College of Applied Arts and Technology ("Mohawk College"). The Foundation is a registered charity exempt from income taxes under the Canadian Income Tax Act.

(b) Basis of accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

(c) Fund accounting

The Foundation follows the deferral method of accounting for contributions.

Revenue and expenses related to fundraising and administrative activities are reported in the General Fund.

Revenue and expenses related to established affiliates are reported in the Restricted Fund.

(d) Financial instruments

Financial instruments are recorded at fair value based upon quoted market prices in active markets when acquired or issued. In subsequent periods, pooled funds traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(e) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received.

Other revenue is recognized when the services are provided. Other revenue received in advance is recorded as deferred revenue.

Interest income is recognized when earned.

(f) Donated artwork

Donated artwork is recorded at nominal value as the fair market value is not readily determinable.

(g) Contributed assets and services

Contributed assets are recorded at fair market value, if determinable, at the date of receipt. Contributed services are not recorded because the fair market value is not readily determinable.

THE MOHAWK COLLEGE FOUNDATION
Notes to Financial Statements
For the year ended March 31, 2022

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(h) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. DUE FROM AND DUE TO MOHAWK COLLEGE:

The amounts due from and due to Mohawk College are interest free, unsecured, and due within the next fiscal year.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Included in accounts payable and accrued liabilities are government remittances payable of \$4,997 (2021 - \$5,485).

4. RESTRICTED FUNDS:

Restricted funds are designated for established affiliates. The fund balance represents the Centre for Insurance and Financial Planning fund.

5. DONATIONS OF OTHER ASSETS:

Donations of other assets to Mohawk College for the year end include the following:

	2022 \$	2021 \$
Engineering Equipment	212,300	-
Media & Entertainment	61,300	616,250
Aviation	38,592	56,519
Apprenticeship & Skilled Trades	3,407	317,325
Health Sciences	2,690	40,000
Other	14,543	44,135
	<u>332,832</u>	<u>1,074,229</u>

THE MOHAWK COLLEGE FOUNDATION
Notes to Financial Statements
For the year ended March 31, 2022

6. INVESTMENT INCOME:

Investment income for the year end includes the following:

	General Fund \$	Restricted Funds \$	Total 2022 \$	Total 2021 \$
Dividend income	83,978	8,781	92,759	77,819
Realized gain (loss) on disposal of investment	47,975	5,016	52,991	(4,941)
Unrealized gain on investment	56,001	5,856	61,857	299,757
	187,954	19,653	207,607	372,635

7. FINANCIAL INSTRUMENTS:

General risk

The COVID-19 pandemic continues to result in on-going government intervention and assistance, lockdown measures, and safety protocols that are continuing to impact business in Canada and globally. The Foundation was able to take advantage of the Federal Government's Canada Emergency Wage Subsidy ("CEWS") and continues to monitor the situation to ensure business and operations can continue. The Foundation received CEWS subsidy of \$69,891 (2021 - \$335,142).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of pooled funds.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk arising from its accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

Liquidity risk

Liquidity risk is the risk that the Foundation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Foundation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.

Market risk

The Foundation is exposed to fluctuations in equity markets on its investments.

There have been no changes to the Foundation's financial instrument risk exposures from the prior year.