

The Mohawk College Foundation

# Financial Statements

March 31, 2023



Engaged communities creating  
transformational opportunities.

 **MOHAWK**  
FOUNDATION

**THE MOHAWK COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

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**FINANCIAL STATEMENTS:**

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## Independent Auditor's Report

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### 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, 2023, 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, 2023, 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 of revenues over expenditures and cash flows from operations for the year ended March 31, 2023, assets as at March 31, 2023 and fund balances as at April 1, 2022 and March 31, 2023.

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.

#### 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.

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## Independent Auditor's Report (Continued)

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### 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.

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 27, 2023

**THE MOHAWK COLLEGE FOUNDATION**  
**Statement of Financial Position**  
**March 31, 2023, with comparative information for 2022**

	General Fund	Restricted Funds	Total 2023	Total 2022
<b>ASSETS</b>				
<b>CURRENT</b>				
Investments	\$ 2,128,354	\$ 218,562	\$ 2,346,916	\$ 2,656,187
Accounts receivable	2,013	-	2,013	1,496
Due from Mohawk College (note 2)	-	-	-	3,829
Prepaid expenses	17,697	-	17,697	23,616
Donated artwork	1	-	1	1
	<u>\$ 2,148,065</u>	<u>\$ 218,562</u>	<u>\$ 2,366,627</u>	<u>\$ 2,685,129</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities (note 3)	\$ 176,200	\$ -	\$ 176,200	\$ 114,330
Deferred revenue	810	-	810	1,570
Due to Mohawk College (note 2)	119,010	7,843	126,853	232,156
	<u>296,020</u>	<u>7,843</u>	<u>303,863</u>	<u>348,056</u>
<b>NET ASSETS</b>				
Unrestricted	1,852,045	-	1,852,045	2,118,511
Restricted (note 4)	-	210,719	210,719	218,562
	<u>1,852,045</u>	<u>210,719</u>	<u>2,062,764</u>	<u>2,337,073</u>
	<u>\$ 2,148,065</u>	<u>\$ 218,562</u>	<u>\$ 2,366,627</u>	<u>\$ 2,685,129</u>

See accompanying notes to financial statements.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:**

  


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**Bob Savage, Board Chair**  
 June 27, 2023

  


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**Ron McKerlie, President**  
 June 27, 2023

**THE MOHAWK COLLEGE FOUNDATION**  
**Statement of Operations and Changes in Fund Balances**  
**For the year ended March 31, 2023, with comparative information for 2022**

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	General Fund	Restricted Funds	Total 2023	Total 2022
<b>REVENUE</b>				
Cash donations	\$ 1,923,454	\$ -	\$ 1,923,454	\$ 1,808,064
Donations from Mohawk College	1,370,321	-	1,370,321	1,000,000
Donations of other assets (note 5)	81,651	-	81,651	332,832
Investment (loss) income (note 6)	(66,522)	(7,177)	(73,699)	207,607
Other revenue	295,390	-	295,390	170,050
	<u>3,604,294</u>	<u>(7,177)</u>	<u>3,597,117</u>	<u>3,518,553</u>
<b>EXPENDITURES</b>				
Donations of cash to Mohawk College	1,989,679	-	1,989,679	1,864,603
Donations of other assets (note 5)	81,651	-	81,651	332,832
Salaries and benefits	1,294,713	-	1,294,713	1,158,319
Contract services and professional fees	301,474	666	302,140	110,154
Supplies and other expenses	128,925	-	128,925	36,377
Promotion and public relations	67,358	-	67,358	57,516
Travel and professional development	6,960	-	6,960	412
	<u>3,870,760</u>	<u>666</u>	<u>3,871,426</u>	<u>3,560,213</u>
Deficiency of revenue over expenditures	(266,466)	(7,843)	(274,309)	(41,660)
Fund balances, beginning of year	2,118,511	218,562	2,337,073	2,378,733
Fund balances, end of year	<u>\$ 1,852,045</u>	<u>\$ 210,719</u>	<u>\$ 2,062,764</u>	<u>\$ 2,337,073</u>

See accompanying notes to financial statements.

**THE MOHAWK COLLEGE FOUNDATION**

**Statement of Cash Flows**

**For the year ended March 31, 2023, with comparative information for 2022**

	<b>General Fund</b>	<b>Restricted Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Deficiency) excess of revenue over expenditures	\$ (266,466)	\$ (7,843)	\$ (274,309)	\$ (41,660)
Items not involving cash:				
Unrealized loss (gain) on investment (note 6)	165,555	17,862	183,417	(61,857)
	(100,911)	10,019	(90,892)	(103,517)
Changes in non-cash working capital items:				
Accounts receivable	(517)	-	(517)	3,467
Prepaid expenses	5,919	-	5,919	23,373
Accounts payable and accrued liabilities	61,919	(49)	61,870	(14,088)
Deferred revenue	(760)	-	(760)	(110)
	(34,350)	9,970	(24,380)	(90,875)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale (purchase) of investments, net	313,051	(3,780)	309,271	(246,413)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Advances (to) from Mohawk College	(278,701)	(6,190)	(284,891)	337,288
<b>INCREASE (DECREASE) IN CASH</b>	-	-	-	-
<b>CASH, BEGINNING AND END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

# THE MOHAWK COLLEGE FOUNDATION

## Notes to Financial Statements

For the year ended March 31, 2023

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### 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.

(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.



# THE MOHAWK COLLEGE FOUNDATION

## Notes to Financial Statements

For the year ended March 31, 2023

### 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 \$9,352 (2022 - \$4,997).

### 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:

	2023		2022	
Apprenticeship & Skilled Trades	\$	61,062	\$	3,407
Justice Studies		14,000		-
Research		4,000		-
Engineering Equipment		1,550		212,300
Health Sciences		1,039		2,690
Media & Entertainment		-		61,300
Aviation		-		38,592
Other		-		14,543
	\$	81,651	\$	332,832

### 6. INVESTMENT (LOSS) INCOME:

Investment income (loss) for the year end includes the following:

	General Fund		Restricted Fund		Total 2023		Total 2022	
Dividend income	\$	91,510	\$	9,873	\$	101,383	\$	92,759
Realized gain on disposal of investment		7,523		812		8,335		52,991
Unrealized (loss) gain on investment		(165,555)		(17,862)		(183,417)		61,857
	\$	(66,522)	\$	(7,177)	\$	(73,699)	\$	207,607

### 7. FINANCIAL INSTRUMENTS:

#### (a) 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.

# THE MOHAWK COLLEGE FOUNDATION

## Notes to Financial Statements

For the year ended March 31, 2023

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### 7. FINANCIAL INSTRUMENTS (continued):

(b) 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.

(c) 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.

(d) 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.