MOHAWK

COLLEGE OF APPLIED ARTS AND TECHNOLOGY

FINANCIAL STATEMENTS

2008

March 31, 2008

INSPIRING LEARNING, LEADERSHIP AND CITIZENSHIP

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

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Auditors' Report

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

We have audited the statement of financial position of The Mohawk College of Applied Arts and Technology as at March 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole, the current year's supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Hamilton, Ontario
May 16, 2008

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

Statement 1

		2008 $	2007 $ (Restated note 2)
ASSETS			
CURRENT			
Cash and investments	(note 3)	34,911,433	35,927,986
Accounts receivable		6,612,999	4,604,023
Grants receivable		6,351,002	6,706,437
Inventories		1,581,411	1,595,547
Prepaid expenses		549,350	487,796
		50,006,195	49,321,789
PLEDGES RECEIVABLE		273,524	632,650
INVESTMENT IN LAND	(note 4)	873,472	873,472
CONSTRUCTION IN PROGRESS		11,783,138	1,770,086
CAPITAL ASSETS	(note 5)	70,769,749	67,393,677
		133,706,078	119,991,674
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		22,562,565	21,827,427
Deferred revenue	(note 6)	6,127,848	5,839,426
Current portion of obligation under capital lease	(note 8)	491,468	1,020,402
Current portion of long-term debt	(note 9)	577,902	-
Demand loan	(note 10)	11,960,222	12,301,049
		41,720,005	40,988,304
LONG-TERM LIABILITIES			
Obligation under capital lease	(note 8)	443,273	1,137,663
Long-term debt	(note 9)	1,532,696	-
Interest rate swap	(note 10)	2,520,577	-
Sick leave benefits		3,948,230	4,363,129
Post retirement and employment benefits	(note 11)	1,323,000	1,297,000
		9,767,776	6,797,792
DEFERRED CONTRIBUTIONS			
Deferred contributions	(note 12a)	2,200,586	1,970,221
Deferred contributions related to construction in progress	(note 12b)	8,633,903	1,770,086
Deferred contributions related to expenses of future periods	(note 12c)	6,977,260	9,193,757
Deferred contributions related to capital assets	(note 12d)	49,506,479	47,072,271
		67,318,228	60,006,335
NET ASSETS (statement 3)			
Net assets invested in capital assets	(note 13)	7,131,181	6,735,764
Unrestricted net assets:			
Operating		1,905,000	613,686
Vacation pay		(7,626,917)	(7,269,197)
Sick leave benefits		(3,948,230)	(4,363,129)
Post retirement and employment benefits		(1,323,000)	(1,297,000)
Financial instruments		(2,231,316)	-
Restricted net assets:			
Endowment contributions	(note 14)	8,257,825	7,782,871
Internally restricted assets	(note 15)	12,735,526	9,996,248
		14,900,069	12,199,243
		133,706,078	119,991,674

SIGNED ON BEHALF OF THE BOARD:

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2008

Statement 2

		2008 $	2007 $ (Restated note 2)
REVENUE			
Operating grants	(schedule 1)	81,502,451	77,309,558
Capital support grants		1,685,415	687,424
Tuition fees		37,709,226	35,401,574
Ancillary	(schedule 1)	12,575,015	12,182,569
Amortization of deferred contributions		3,937,251	3,889,989
Amortization of deferred contributions related to capital assets		3,305,164	3,253,743
Other	(schedule 1)	7,833,382	6,607,709
		148,547,904	139,332,566
EXPENDITURES			
Academic	(schedule 2)	79,976,096	77,707,489
Student services	(schedule 3)	16,794,532	16,829,083
Administrative services	(schedule 4)	14,907,959	13,241,669
Plant	(schedule 5)	11,410,743	11,656,326
Supplementary	(schedule 6)	1,327,397	1,203,023
Ancillary	(schedule 7)	8,693,412	7,990,990
Scholarship, bursary and award payments		3,937,251	3,889,989
Amortization expense		6,076,658	6,492,081
Interest on long-term liabilities		966,668	977,444
		144,090,716	139,988,094
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES		4,457,188	(655,528)

See accompanying notes to the financial statements

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2008

Statement 3

	Invested in Capital Assets $	Unrestricted Operating $	Vacation, sick leave & post retire & employment benefits $	Financial Instruments $	Internally Restricted $	Endowment Contributions $	2008 Total $	2007 Total $
Balance, beginning of year as previously reported	6,735,764	1,905,620	(12,929,326)	-	9,996,248	7,782,871	13,491,177	13,904,677
Change in accounting policy-financial instruments (note 2)	-	-	-	(2,247,788)	-	-	(2,247,788)	-
Change in accounting policy-tuition fee revenue (note 2)	-	(1,291,934)	-	-	-	-	(1,291,934)	(1,367,271)
Balance, beginning of year as restated	6,735,764	613,686	(12,929,326)	(2,247,788)	9,996,248	7,782,871	9,951,455	12,537,406
Excess (deficiency) of revenues over expenditures	(2,771,493)	8,353,494	31,179	-	(1,155,992)	-	4,457,188	(655,528)
Investment in capital assets	3,166,910	(3,166,910)	-	-	-	-	-	-
Change in internally imposed restrictions	-	(3,895,270)	-	-	3,895,270	-	-	-
Change in fair value of investments	-	-	-	277,301	-	-	277,301	-
Change in fair value of interest rate swaps	-	-	-	(260,829)	-	-	(260,829)	-
Endowment contributions	-	-	-	-	-	474,954	474,954	317,365
Balance, end of year	7,131,181	1,905,000	(12,898,147)	(2,231,316)	12,735,526	8,257,825	14,900,069	12,199,243

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2008

Statement 4

	2008 $	2007 $ (Restated Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(deficiency) of revenue over expenditures	4,457,188	(655,528)
Adjustments to reconcile excess/(deficiency) of revenue over expenditures to cash provided by operating activities:		
Amortization expense	6,076,658	6,492,081
Increase/(decrease) in post retirement & employment benefits	26,000	(263,000)
Decrease in sick leave benefits	(414,899)	(514,599)
Unrealized gain included in cash and investments	289,260	-
Less amortization of deferred contributions related to capital assets	(3,305,164)	(3,253,743)
	7,129,043	1,805,211
Changes in non-cash working capital items		
Grants receivable	355,435	1,515,975
Accounts receivable	(2,008,976)	(489,840)
Inventories	14,136	217,821
Prepaid expenses	(61,554)	114,402
Accounts payable and accrued liabilities	735,138	3,189,854
Deferred revenue	288,422	(1,484,081)
	6,451,644	4,869,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets, net	(9,452,730)	(3,812,928)
Construction in progress, net of deferred contribution	(3,149,235)	74,000
	(12,601,965)	(3,738,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for endowment	474,954	317,365
Contributions for other restricted purposes, net	230,365	364,893
Contributions for capital purposes, net	6,098,499	1,730,455
Contributions for expenses of future periods	(2,216,497)	4,692,995
Proceeds of long-term debt	2,421,401	-
Repayment of long-term debt	(310,803)	-
Repayment of demand loan	(340,827)	(318,641)
Repayment of obligation under capital lease	(1,223,324)	(1,918,000)
	5,133,768	4,869,067
INCREASE/(DECREASE) IN CASH AND INVESTMENTS	(1,016,553)	5,999,481
CASH AND INVESTMENTS, BEGINNING OF YEAR	35,927,986	29,928,505
CASH AND INVESTMENTS, END OF YEAR	34,911,433	35,927,986

See accompanying notes to the financial statements

1) SIGNIFICANT ACCOUNTING POLICIES:

General

Mohawk College of Applied Arts and Technology, 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 provides post secondary, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

(a) Revenue recognition

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

Operating grants from the Ministry of Training, Colleges and Universities (MTCU) 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.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. 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.

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.

(b) Cash and investments

Cash and investments consist of cash on hand, bank balances and investments in money market and short-term bond pooled funds. These investments are classified as available for sale and are recorded at fair value on a settlement date basis. Fair value is determined based on quoted market prices. Unrealized gains or losses from the change in fair value are recorded in the statement of changes in net assets. Transaction costs related to the investments are expensed.

(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.

(d) Pledges receivable

Pledges receivable are classified as loans and receivables and are recognized as an asset when management determines that the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

(e) Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Software and costs associated with software implementation are expensed as incurred. 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.

Construction in progress is not recorded as a capital asset until construction is complete and the asset is put into operational use. These costs represent the construction of two new wings at the Stoney Creek campus. The estimated cost to complete construction in progress amounted to approximately $2,500,000 at March 31, 2008. This project is expected to be completed in Summer 2008.

Capital assets are amortized on a straight-line basis using the following rates:

Asset Class	Rate
Land	n/a
Buildings	40 years
Portables & roof replacement	20 years
Site improvements	10 years
Major equipment	10 years
Furniture & equipment	5 years
Vehicles	5 years
Computers	3 years
Computers – Leased	Over life of lease

In the event that facts and circumstances indicate that the College's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value of discounted cash flow value is required. The College considers that no circumstances exist that would require such an evaluation.

(f) Vacation Pay

The College recognizes vacation pay as an expense on the accrual basis. This amount is included in Accounts payable and accrued liabilities.

(g) Vested Sick Leave

The College has provided for vested sick leave benefits during the year. Eligible Faculty employees, hired before April 1, 1999 and Administrative employees hired before 1986 are entitled to receive on termination or retirement, accumulated sick days multiplied by their actual daily rate to a maximum of six months salary. Previously the Ministry of Training, Colleges and Universities funded these expenditures. Since 2005 the program is administered and financially supported for the most part by The College Compensation and Appointments Council.

(h) Post retirement and employment benefits

The College recognizes employee future benefits (health, dental, life insurance and other retirement obligations) as they are earned during the employees' tenure of service. The accrued benefit obligation and the current service cost were actuarially determined.

(i) Interest rate swaps

The College is party to an interest rate swap agreement that manages the exposure to market risks from changing interest rates. The College's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The College formally documents the relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking the interest rate swap to the demand loan on the statement of financial position. The College also formally assesses, both at the hedge's inception and on an ongoing basis, whether the interest rate swap that is used in the hedging transaction is highly effective in offsetting changes in cash flows of the hedged items.

(j) Student organizations and The Mohawk College Foundation

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.

(k) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In estimating accrued liabilities the College relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Actual results could differ from those estimates as additional information becomes available in the future.

(l) Financial instruments

The College utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from its financial instruments and the carrying amounts approximate fair values.

(m) Long-term debt

Long-term debt has been classified as loans and receivables and is carried at amortized cost using the effective interest method. Interest income or expense is included in the statement of operations over the expected life of the instrument.

2) CHANGE IN ACCOUNTING POLICIES:

Financial Instruments

On April 1, 2007, the College retrospectively adopted, without restatement of prior periods, CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation" and Section 3865, "Hedges". The effects of adoption of these standards was a decrease in opening net assets of $2,247,788 to reflect the unrealized gain on the investments and the unfavourable position of the interest rate swap agreement.

2) CHANGE IN ACCOUNTING POLICIES (continued):

Tuition Fee Revenue

In previous years, the College recorded post secondary and continuing education tuition fee revenue in the fiscal year that the related semester commenced. Effective April 1, 2007, the College adopted the policy of recognizing tuition fee revenue in the fiscal year in which it was earned through the provision of service.

This change in accounting policy has been applied on a retroactive basis. As a result of this change, opening unrestricted net assets decreased by $1,367,271 at April 1, 2006, deferred revenue increased by $395,590 (2007 - decreased by $75,337) and tuition fees decreased by $395,590 (2007 – increased by $75,337).

3) CASH AND INVESTMENTS:

The College's bank accounts are held at two chartered banks. Other investments are held with the College's investment management firm. The bank account earned interest at prime less 2.0%. The investments earned interest from 3.91% to 4.64%.

The College has an outstanding letter of credit for $277,106 relating to the construction of the Stoney Creek facility.

4) INVESTMENT IN LAND:

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

5) CAPITAL ASSETS:

	Cost $	Accumulated Amortization $	2008 Net Book Value $	2007 Net Book Value $
Land	3,136,775	-	3,136,775	3,136,775
Buildings	78,691,978	22,540,623	56,151,355	54,625,271
Portables & roof replacement	1,265,304	176,365	1,088,939	249,780
Site improvements	6,503,665	3,688,373	2,815,292	1,973,117
Major equipment	9,973,694	6,442,168	3,531,526	3,614,167
Furniture & equipment	15,774,268	14,567,519	1,206,749	1,807,572
Vehicles	117,988	25,550	92,438	7,811
Computers	8,397,770	6,292,840	2,104,930	702,750
Computers – Leased	2,541,239	1,899,494	641,745	1,276,434
	126,402,681	55,632,932	70,769,749	67,393,677

6) DEFERRED REVENUE:

Deferred revenue consists of the following:

	2008 $	2007 $
Operating grants	1,148,218	1,635,316
Capital grants	88,489	128,820
Student fees	3,740,465	3,142,701
Federal contracts	393,601	11,204
Student residence	247,755	243,842
Other	509,320	677,543
	6,127,848	5,839,426

7) PENSION PLANS:

Full time employees participate in the contributory retirement pension plans governed by the Teachers Superannuation Commission or the Colleges of Applied Arts and Technology (CAAT) Pension Plan Board of Trustees.

The College makes contributions to these plans equal to those of the employees. As at March 31, 2008, the College's contributions amounted to $5,375,293 (2007 - $5,066,687 for all plans). There is no indication that the College may be liable for any funding payments in excess of current contributions.

8) OBLIGATION UNDER CAPITAL LEASE:

The College has the following capital lease obligations:

Year ending March 31:	2009	$	509,621
	2010		358,131
	2011		92,634
Total minimum lease payments		$	960,386
Less amount representing interest and services (at combined rate of 2.56%)			(25,645)
Present value of net minimum capital lease payments			934,741
Less current portion of obligation			(491,468)
		$	443,273

9) LONG TERM DEBT:

Unsecured loan payable to Ontario Financing Authority, at 4.798%, payable in blended quarterly instalments of $167,234, due September 10, 2011.		$	2,110,598
Less: current portion			577,902
		$	1,532,696
Principal repayments for the next four years are as follows:			
	2009	$	577,902
	2010		606,133
	2011		635,742
	2012		290,821
		$	2,110,598

10) DEMAND LOAN:

The College has a demand credit facility with a Canadian chartered bank. Interest is charged at prime. Borrowing is unsecured and subject to a credit spread of 35 basis points. To reduce the interest rate risk on the loan, the College entered into an interest rate swap contract that entitles the organization to receive interest at floating rates and obliges it to pay interest at a fixed rate of 7.1% (including the credit spread). The swap contract provides for amortization over 25 years.

The fair value of the interest rate swap of $2,520,577 (2007 - $2,259,746) is recorded on the statement of financial position. Because the hedging relationship is effective, the change in fair value of the interest rate swap is recorded in the statement of net assets, with no impact on the College's excess/(deficiency) of revenue over expenditures.

11) POST RETIREMENT AND EMPLOYMENT BENEFITS:

Post retirement and employment benefits include health, dental and life insurance benefits provided to early retirees and employees currently on long term disability. Premiums paid by these groups are subsidized by the premium rates paid by the Colleges for the active employees.

Information about the College's post retirement and employment benefits is as follows:

	2008	**2007**
	$	**$**
Balance, beginning of year	1,297,000	1,560,000
Current service cost	83,000	(162,000)
Interest	35,000	36,000
Benefits paid	(92,000)	(137,000)
Balance, end of year	1,323,000	1,297,000

11) POST RETIREMENT AND EMPLOYMENT BENEFITS (continued):

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

(a)	Interest (discount) rate	5.5% per annum as at March 31, 2008
(b)	Medical cost increases	Hospital – 5.0% per annum Drugs – 10.5% per annum in 2008, grading down to 5.5% in 2018 Other Medical – 5.0% per annum Vision/Hearing Care – 0% per annum
(c)	Dental cost increase	7.5% per annum in 2008, grading down to 4.5% in 2014

12) DEFERRED CONTRIBUTIONS:

a) 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.

	2008 $	2007 $
Balance, beginning of year	1,970,221	1,605,328
Add: Ministry grants	1,226,239	1,291,944
Tuition set-aside fees	2,346,343	2,259,623
Cash donations	196,232	302,508
Restricted investment income	398,802	400,807
Deduct: Award payments & administrative expenses	(3,937,251)	(3,889,989)
Balance, end of year	2,200,586	1,970,221

b) Deferred contributions related to construction in progress:

Deferred contributions related to construction in progress pertains primarily to the Skilled Trades & Apprenticeship Research, Resources and Training (STARRT) Institute.

c) 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.

12) DEFERRED CONTRIBUTIONS (continued):

d) Deferred contributions related to capital assets:
Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets.

	2008 $	2007 $
Balance, beginning of year	47,072,271	48,948,255
Additional contributions received from:		
Ministry of Training, Colleges and Universities	5,390,775	828,570
Ministry of Enterprise, Opportunity & Innovation	82,391	4,473
Donations	176,434	206,032
Other	89,772	338,684
	52,811,643	50,326,014
Less amortization in current year	(3,305,164)	(3,253,743)
Balance, end of year	49,506,479	47,072,271

13) INVESTMENT IN CAPITAL ASSETS:

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

	2008 $	2007 $
Capital assets, at cost	126,402,681	127,983,246
Investment in land	873,472	873,472
Less:		
Accumulated amortization	(55,632,932)	(60,589,569)
Demand loan	(11,960,222)	(12,301,049)
Obligation under capital lease – current portion	(491,468)	(1,020,402)
Long term debt – current portion	(577,902)	-
Obligation under capital lease – long term	(443,273)	(1,137,663)
Long term debt	(1,532,696)	-
Deferred contributions related to capital assets	(49,506,479)	(47,072,271)
Investment in capital assets	7,131,181	6,735,764

14) ENDOWMENT CONTRIBUTIONS:

The College has the following endowment funds:

	2008 $	2007 $
Ontario Student Opportunity Trust Funds	5,583,327	5,583,327
Ontario Trust for Student Support	891,369	438,074
Other	1,783,129	1,761,470
	8,257,825	7,782,871

15) INTERNALLY RESTRICTED FUNDS:

Net assets internally restricted by the Board of Governors represents specific initiatives, liabilities and other provisions. Internally restricted net assets are not available for other purposes without approval of the Board of Governors.

16) THE MOHAWK COLLEGE FOUNDATION:

The College has an economic interest in the Mohawk College Foundation, which raises funds from the community and alumni to finance certain expenditures 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.

17) COMPARATIVE AMOUNTS:

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

18) NEW ACCOUNTING PRONOUNCEMENTS:

Capital disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The College is currently assessing the impact of the new standard.

Inventories

The CICA has issued Section 3031, Inventories, which provides guidance on determining cost as well as other recognition, measurement, disclosure and presentation issues related to inventories. The standard includes guidance on the treatment of excess capacities, inventory valuation and write-downs and additional elements to be considered in measuring inventory costs. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The College is currently assessing the impact of the new standard.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF OPERATING GRANTS, ANCILLARY AND OTHER REVENUE
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 1

	2008 $	2007 $
OPERATING GRANTS REVENUE		
Operating grants and premise rentals	64,544,747	61,375,793
Apprenticeship	8,015,526	7,680,649
Federal projects	2,515,459	1,847,079
Job Connect	1,768,719	1,580,226
Literacy & Basic Skills	2,119,707	1,787,508
Municipal tax grant	627,225	621,001
Disability Services	867,046	830,951
Termination gratuities	620,448	457,350
Other ministry grants	423,574	1,129,001
	81,502,451	77,309,558
ANCILLARY REVENUE		
Campus stores	6,424,403	6,241,959
Student residence	2,424,858	2,395,133
Parking	1,784,731	1,678,654
Food services	500,058	476,451
Printing	209,328	237,983
Facility rentals	434,623	428,681
Student Life	303,735	249,130
Other	493,279	474,578
	12,575,015	12,182,569
OTHER REVENUE		
Contract training projects	2,435,195	1,943,450
International projects	717,518	508,358
Investment income	1,318,328	1,080,758
Student government	230,100	226,150
Donations	606,761	403,511
Course products and services	8,100	5,698
Miscellaneous	2,517,380	2,439,784
	7,833,382	6,607,709

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 2

	2008 $	2007 $
Salaries - Academic	46,316,109	45,674,846
- Administrative	3,286,847	3,587,594
- Support	9,362,481	8,686,873
Fringe benefits	10,247,837	10,288,986
	69,213,274	68,238,299
Clinical teaching	631,926	303,051
Contract services - other	1,658,573	1,322,248
Contract teaching services	1,231,989	1,298,703
Field work	32,635	13,740
Instructional supplies	3,491,981	3,285,529
Maintenance of equipment	895,158	1,022,766
Office supplies and expenses	1,383,934	856,997
Professional fees	17,329	26,161
Promotion and public relations	202,368	180,930
Rentals of equipment & facilities	24,496	43,268
Telecommunications	712,461	661,566
Travel and conference	479,972	454,231
	79,976,096	77,707,489

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF STUDENT SERVICES EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 3

	2008 $	2007 $
Salaries - Academic	1,833,301	1,940,525
- Administrative	1,978,942	2,163,893
- Support	6,999,875	6,834,627
Fringe benefits	2,101,591	1,985,964
	12,913,709	12,925,009
Contract services - other	1,290,471	875,441
Instructional supplies	221,754	344,753
Maintenance of equipment	77,928	77,149
Office supplies and expenses	761,653	881,226
Professional fees	8,156	20,828
Promotion and public relations	1,154,553	1,367,628
Rentals of equipment & facilities	18,843	41,104
Telecommunications	137,002	112,068
Travel and conference	210,463	183,877
	16,794,532	16,829,083

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ADMINISTRATIVE SERVICES EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008 **Schedule 4**

	2008 $	2007 $
Salaries - Academic	288,444	329,618
- Administrative	4,220,787	4,099,422
- Support	2,853,931	2,947,234
Fringe benefits	1,419,021	1,324,721
	8,782,183	8,700,995
Contract services - other	1,212,622	620,781
Insurance	225,932	243,818
Maintenance of equipment	585,616	499,505
Office supplies and expenses	2,511,897	1,845,939
Professional fees	596,164	519,653
Promotion and public relations	165,334	141,268
Rentals of equipment & facilities	33,219	42,455
Telecommunications	293,005	186,079
Travel and conference	501,987	441,176
	14,907,959	13,241,669

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF PLANT EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 5

	2008	2007
	$	$
Salaries - Administrative	671,163	523,310
- Support	1,707,150	1,766,955
Fringe benefits	448,782	436,417
	2,827,095	2,726,682
Building maintenance	2,133,801	2,571,001
Contract cleaning service	1,775,914	1,767,130
Contract security service	691,988	700,526
Contract services - other	86,899	63,126
Grounds maintenance	182,174	87,096
Maintenance of equipment	309,581	311,153
Office supplies and expenses	296,143	107,977
Professional fees	50,508	113,532
Refuse removal	119,996	116,260
Rental of premises	211,198	144,374
Telecommunications	53,874	64,276
Travel and conference	38,451	32,467
Utilities	2,586,133	2,809,398
Vehicle expense	46,988	41,328
	11,410,743	11,656,326

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF SUPPLEMENTARY EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 6

	2008 $	2007 $
Contract services - other	633,781	520,406
Municipal taxes	627,318	634,338
Special support allowances	66,298	48,279
	1,327,397	1,203,023

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ANCILLARY EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2008

Schedule 7

	2008 $	2007 $
Salaries - Administrative	117,575	104,531
- Support	900,391	880,151
Fringe benefits	169,353	159,713
	1,187,319	1,144,395
Building maintenance	151,348	100,902
Contract cleaning service	132,321	131,576
Contract security service	226,697	196,855
Contract services - other	626,660	522,172
Cost of sales	4,603,593	4,469,463
Grounds maintenance	327,450	241,345
Maintenance of equipment	79,856	56,926
Office supplies and expenses	753,386	614,273
Promotion and public relations	92,476	72,423
Refuse removal	21,973	20,293
Rentals of equipment & facilities	144,916	57,277
Telecommunications	63,059	91,497
Travel and conference	22,420	15,537
Utilities	195,556	213,134
Vehicle expense	64,382	42,922
	8,693,412	7,990,990

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF I)
FOR THE YEAR ENDED MARCH 31, 2008 (Book Value)

Schedule 8

	2008 $	2007 $
Endowment Fund Balance		
Fund Balance, beginning of year	5,520,998	5,520,998
Cash donations received		-
Fund Balance, end of year	5,520,998	5,520,998
Expendable Funds Available for Awards		
Balance, beginning of year	301,763	422,152
Investment income, net of related expenses	252,028	237,334
Awards issued (2008 - #265; 2007 - #419)	(216,950)	(357,723)
Balance, end of year	336,841	301,763

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2008 were $5,520,998 and $341,415 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF II)
FOR THE YEAR ENDED MARCH 31, 2008 (Book Value)

	2008 $	2007 $
Endowment Fund Balance		
Fund Balance, beginning of year	62,330	62,330
Cash donations received	-	-
Fund Balance, end of year	62,330	62,330
Expendable Funds Available for Awards		
Balance, beginning of year	5,000	2,199
Investment income, net of related expenses	3,005	2,801
Awards issued	-	-
Balance, end of year	8,005	5,000

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2008 were $62,330 and $8,146 respectively.

THE MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY
ANALYSIS OF ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)
FOR THE YEAR ENDED MARCH 31, 2008 (Book Value) **Schedule 9**

	2008 $	2007 $
Endowment Fund Balance		
Fund Balance, beginning of year	438,074	125,364
Cash donations received	226,648	156,355
Matching funds received/receivable from MTCU	226,647	156,355
Fund Balance, end of year	891,369	438,074
Expendable Funds Available for Awards		
Balance, beginning of year	9,893	-
Investment income, net of related expenses	28,195	9,893
Awards issued (2008 - #16)	(9,180)	-
Balance, end of year	28,908	9,893

The amounts recorded above are for Ministry purposes only. The fair market value of the endowment and expendable funds as at March 31, 2008 were $891,369 and $34,893 respectively.