



Financial Statements

Mohawk Students' Association

April 30, 2025

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Independent Auditor's Report

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To the Board of Directors of
Mohawk Students' Association

Opinion

We have audited the financial statements of Mohawk Students' Association (the "Association"), which comprise the statement of financial position as at April 30, 2025, and the statements of operations, changes in fund balances and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2025, 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 ("ASNPO").

Basis for Opinion

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

The financial statements of the Association for the year ended April 30, 2025 were audited by MacGillivray Brampton who expressed an unmodified opinion on those financial statements on August 28, 2024. The partners and staff of MacGillivray Brampton joined Doane Grant Thornton LLP on February 1, 2025.

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 the financial statements in accordance with "ASNPO", 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

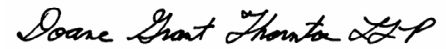
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Association'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 Association'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 Association 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.

Independent Auditor's Report (continued)

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.

Mississauga, Ontario
September 23, 2025

A handwritten signature in black ink that reads "Doane Grant Thornton LLP".

Chartered Professional Accountants
Licensed Public Accountants

Mohawk Students' Association

Statement of Financial Position

As at April 30	Operating Fund	Capital Fund	2025 Total	Operating Fund	Capital Fund	2024 Total
Assets						
Current						
Cash	\$ 9,502,895	\$ -	\$ 9,502,895	\$ 9,762,526	\$ -	\$ 9,762,526
Accounts receivable (Note 3)	13,432	-	13,432	36,590	-	36,590
Prepaid expenses	172,483	-	172,483	163,284	-	163,284
Inventory (Note 4)	<u>20,540</u>	<u>-</u>	<u>20,540</u>	<u>14,429</u>	<u>-</u>	<u>14,429</u>
	9,709,350	-	9,709,350	9,976,829	-	9,976,829
Due (to) from other funds	(1,666,408)	1,666,408	-	(1,504,295)	1,504,295	-
Capital assets (Note 5)	<u>-</u>	<u>889,225</u>	<u>889,225</u>	<u>-</u>	<u>792,537</u>	<u>792,537</u>
	\$ 8,042,942	\$ 2,555,633	\$ 10,598,575	\$ 8,472,534	\$ 2,296,832	\$ 10,769,366

See accompanying notes to the financial statements.

Mohawk Students' Association

Statement of Financial Position

As at April 30	Operating Fund	Capital Fund	2025 Total	Operating Fund	Capital Fund	2024 Total
Liabilities						
Current						
Accounts payable and accrued liabilities (Note 3)	\$ 1,540,451	\$ -	\$ 1,540,451	\$ 1,793,073	\$ -	\$ 1,793,073
Payable to Mohawk College of Applied Arts and Technology (Note 6)	<u>208,835</u>	<u>-</u>	<u>208,835</u>	<u>183,474</u>	<u>-</u>	<u>183,474</u>
	1,749,286	-	1,749,286	1,976,547	-	1,976,547
Deferred grants and revenue	<u>11,854</u>	<u>64,000</u>	<u>75,854</u>	<u>10,751</u>	<u>108,000</u>	<u>118,751</u>
	<u>1,761,140</u>	<u>64,000</u>	<u>1,825,140</u>	<u>1,987,298</u>	<u>108,000</u>	<u>2,095,298</u>
Fund balances						
Unrestricted Operating	4,060,601	-	4,060,601	4,253,994	-	4,253,994
Internally Restricted (Note 11)	2,221,201	-	2,221,201	2,231,242	-	2,231,242
Investment in Capital Assets (Note 7)	-	825,225	825,225	-	684,537	684,537
Capital Fund (Note 7)	<u>-</u>	<u>1,666,408</u>	<u>1,666,408</u>	<u>-</u>	<u>1,504,295</u>	<u>1,504,295</u>
	<u>6,281,802</u>	<u>2,491,633</u>	<u>8,773,435</u>	<u>6,485,236</u>	<u>2,188,832</u>	<u>8,674,068</u>
	<u>\$ 8,042,942</u>	<u>\$ 2,555,633</u>	<u>\$ 10,598,575</u>	<u>\$ 8,472,534</u>	<u>\$ 2,296,832</u>	<u>\$ 10,769,366</u>

Commitments (Note 13)

On behalf of the Board of Directors

_____ Director _____ Director

Mohawk Students' Association

Statement of Operations

Year ended April 30	Operating Fund	Capital Fund	2025 Total	Operating Fund	Capital Fund	2024 Total
Revenue						
Health and dental fees (Note 11)	\$ 4,138,340	\$ -	\$ 4,138,340	\$ 4,123,835	\$ -	\$ 4,123,835
Student fees	3,557,032	566,845	4,123,877	3,520,550	552,643	4,073,193
Business operations	775,324	-	775,324	873,935	-	873,935
Interest income	394,856	-	394,856	512,534	-	512,534
General departments	50,257	-	50,257	59,931	-	59,931
Recognition of deferred grants	-	44,000	44,000	-	58,132	58,132
	<u>8,915,809</u>	<u>610,845</u>	<u>9,526,654</u>	<u>9,090,785</u>	<u>610,775</u>	<u>9,701,560</u>
Expenses						
Health and dental premiums (Note 11)	4,148,381	-	4,148,381	4,709,051	-	4,709,051
General departments	3,679,800	-	3,679,800	3,325,064	-	3,325,064
Business operations	1,290,214	-	1,290,214	1,176,033	-	1,176,033
Amortization of capital assets	-	308,044	308,044	-	307,981	307,981
Special projects	848	-	848	13,327	-	13,327
	<u>9,119,243</u>	<u>308,044</u>	<u>9,427,287</u>	<u>9,223,475</u>	<u>307,981</u>	<u>9,531,456</u>
Other income						
Gain on disposal of capital assets	-	-	-	-	11,451	11,451
(Deficiency) excess of revenue over expenses	<u>\$ (203,434)</u>	<u>\$ 302,801</u>	<u>\$ 99,367</u>	<u>\$ (132,690)</u>	<u>\$ 314,245</u>	<u>\$ 181,555</u>

See accompanying notes to the financial statements.

Mohawk Students' Association
Statement of Changes In Fund Balances

Year ended April 30	Unrestricted	Internally Restricted	Operating Fund Total	Capital Fund Total	2025 Total	2024 Total
Balance, beginning of year	\$ 4,253,994	\$ 2,231,242	\$ 6,485,236	\$ 2,188,832	\$ 8,674,068	\$ 8,492,513
(Deficiency) excess of revenue over expenses	<u>(193,393)</u>	<u>(10,041)</u>	<u>(203,434)</u>	<u>302,801</u>	<u>99,367</u>	<u>181,555</u>
Balance, ending of year	<u>\$ 4,060,601</u>	<u>\$ 2,221,201</u>	<u>\$ 6,281,802</u>	<u>\$ 2,491,633</u>	<u>\$ 8,773,435</u>	<u>\$ 8,674,068</u>

Mohawk Students' Association

Statement of Cash Flows

Year ended April 30

2025

2024

Cash flows from operating activities

Excess of revenue over expenses	\$ 99,367	\$ 181,555
Adjustments for items which do not affect cash		
Amortization of capital assets (Note 7)	308,044	307,981
Recognition of deferred grants (Note 7)	(44,000)	(58,132)
Gain on disposal of capital assets	-	(11,451)
Change in non-cash working capital items (Note 10)	(218,310)	(324,493)
	<u>145,101</u>	<u>95,460</u>

Cash flows from investing activities

Purchase of capital assets (Note 7)	(404,732)	(173,405)
Proceeds from disposal of capital assets	-	15,000
	<u>(404,732)</u>	<u>(158,405)</u>

Decrease in cash	(259,631)	(62,945)
Cash		
Beginning of year	<u>9,762,526</u>	<u>9,825,471</u>
End of year	<u>\$ 9,502,895</u>	<u>\$ 9,762,526</u>

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

1. Nature of operations

The Mohawk Students' Association ("the Association") is a not-for-profit corporation that represents all students of Mohawk College of Applied Arts and Technology ("Mohawk College"). Whether these students are located at Fennell, Institute for Applied Health Sciences ("IAHS") or the Stoney Creek campus and whether they are full-time, part-time, apprenticeship or continuing education, the Association has supported service and advocacy to students since December 1964.

Mission:

We empower Mohawk Students to create a community they can lean on for positive experiences, relevant supports, a listening ear, and a strong voice.

Vision:

All Mohawk Students achieve personal success in their college experience and beyond.

Values:

Student-Driven: We are passionate about Mohawk Students and all efforts are devoted to enhancing their experiences.

In This Together: Collaboration built on trust across the Mohawk community is essential to ensure every student interaction matters.

Believe It's Possible: Fueled by outcomes and insight, we strive to find solutions to meet the evolving needs of students.

Foster Belonging: We connect the Mohawk Community and ensure everyone feels invited, welcomed, and included as their authentic self.

Storytelling: We strive to tell, share, and learn from stories in meaningful ways.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Association, such resources are classified for accounting and reporting purposes into funds according to the activities or objectives specified.

The Operating Fund is used to account for day to day operations. Funds are provided from student fees, and revenues from various facilities and programs.

The Capital Fund records the capital assets and the related accumulated amortization. Funds are provided through the collection of student fees from each Association member.

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

2. Significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Revenue from fees, net of refunds and special levies, are recognized in the period to which the fee relates. The fees are comprised of the following:

1. The student fee is to fund the Association's operating expenses, initiatives, events, and student activities, with a portion allocated to fund the cost of major renovations and repairs. The allocation is based on the estimated capital and operating requirements each year and is agreed upon by the Association.
2. The health and dental fee is to fund the purchase of health and dental benefits for students.

Revenue from business operations is recorded as the service is provided.

Interest income is recorded as earned.

Revenue from general departments is recorded in the period in which it is earned, provided collection is reasonably assured.

Grants for the purchase of capital assets are included in deferred grants and revenue, and are recognized in revenue at the same rate as the amortization of the related capital asset.

Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable
- payable to Mohawk College of Applied Arts and Technology

Financial instruments in arm's length transactions

Initial measurement

The Association initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

Derecognition

The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenses for the year.

Financial instruments in related party transactions

Initial measurement

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Association does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in excess of revenue over expenses for the year when the transaction is in the normal course of operations, and in fund balances when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Association initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Association has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Inventory

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase comprise of purchase price, non-recoverable taxes, transport, handling and other costs directly attributable to the acquisition of inventory.

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method ("FIFO"). Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable. The cost of inventories may not be recoverable if those inventories have been damaged, become obsolete, selling prices have declined or their estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

2. Significant accounting policies (continued)

Inventory (continued)

The amount of any write-downs of inventories to net realizable value and all losses of inventories are recognized as an expense, and included in cost of sales, in the period the write-down or loss occurs.

When the circumstances that previously caused the inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of a changed economic circumstance, the amount of write-down is reversed in the period of change.

The amount of any reversal of write-down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. The reversal is limited to the amount of the original write-down.

Capital assets

Capital assets are initially recorded at cost in the Capital Fund, and are subsequently measured at cost less accumulated amortization less any reduction for impairment. Capital assets are amortized on a straight line basis at the following annual rates:

Computer equipment	Straight-line	3 years
Furniture and fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	10 years

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Classification of expenses

The Association records a number of its expenses by function: Business Operations and General Departments. The expenses recorded within each function relate directly to those functions and classification by function is based on usage of expenses to perform mandated services.

Accounting estimates

The preparation of financial statements in conformity 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Such estimates are periodically reviewed and any adjustments necessary are reported in excess of revenue over expenses in the period in which they become known. Actual results could differ from those estimates.

Financial statement items subject to significant management judgment include estimated useful lives of property and equipment and certain accrued liabilities.

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

3. Government receivables/payables

Included in accounts receivable is \$442 of harmonized sales tax recoverable (2024 - \$6,825 included in accounts payable).

4. Inventory

Inventory is comprised of the following:

	<u>2025</u>	<u>2024</u>
Food	\$ 15,572	\$ 12,883
Beverages	<u>4,968</u>	<u>1,546</u>
	<u>\$ 20,540</u>	<u>\$ 14,429</u>

Inventories recognized as expenses during the year amounted to \$406,841 (2024 - \$380,044).

5. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net</u>	<u>2024 Net</u>
Computer equipment	\$ 53,156	\$ 53,156	\$ -	\$ -
Furniture and fixtures	2,126,332	1,785,447	340,885	115,059
Leasehold improvements	<u>6,685,745</u>	<u>6,137,405</u>	<u>548,340</u>	<u>677,478</u>
	<u>\$ 8,865,233</u>	<u>\$ 7,976,008</u>	<u>\$ 889,225</u>	<u>\$ 792,537</u>

6. Payable to Mohawk College of Applied Arts and Technology

The breakdown of amounts due to (from) Mohawk College is as follows:

	<u>2025</u>	<u>2024</u>
Occupancy costs	\$ 199,900	\$ 170,970
Computer network consulting fees	8,333	8,333
Health and dental fees	2,470	4,754
Other	744	4,900
One Card and other receivables	<u>(2,612)</u>	<u>(5,483)</u>
Net payable to Mohawk College	<u>\$ 208,835</u>	<u>\$ 183,474</u>

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

7. Capital fund

The change in the capital fund balance for the year ended April 30, 2025 is calculated as follows:

	Capital asset activities	Investment in capital assets	Total Capital Fund
Student fees	\$ 566,845	\$ -	\$ 566,845
Recognition of deferred grants	-	44,000	44,000
Amortization of capital assets	-	(308,044)	(308,044)
Purchase of capital assets	(404,732)	404,732	-
Increase (decrease)	162,113	140,688	302,801
Beginning balance	1,504,295	684,537	2,188,832
Ending balance	\$ 1,666,408	\$ 825,225	\$ 2,491,633

8. Post-employment benefits - retirement benefits

CAAT Pension Plan

All of the Association's full time employees, and some of the part-time employees, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly sponsored defined benefit plan for eligible employees of public colleges and related employers in Ontario. The Association makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long term viability of the Plan. Any pension surplus or deficit is a joint responsibility of the members and employers which may affect future contribution rates. The Association does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Association's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2025 indicated an actuarial surplus of \$6,141,000,000 (2024 - \$5,263,000,000).

The Association made contributions to the Plan and its associated retirement compensation arrangement of \$200,662 (2024 - \$178,346) which has been included in the statement of operations.

9. Student centre lease

The Association has agreed to lease the Student Centre from Mohawk College until 2045. The agreement states that as long as Mohawk College continues to operate at the Fennell Campus, the lease agreement will automatically be renewed for the same rent. If, at any time during the term of the lease, Mohawk College is required to move from the premises at Fennell Avenue, for whatever reason, including expropriation, it is agreed that Mohawk College shall have the option of either paying the Association for the fair market value of the present building, or to replace the Student Centre building with an equivalent building at the new site of Mohawk College. The lease provides for annual minimum rent of \$1 and requires that the Association pay a share of all operating expenses incurred by Mohawk College in connection with the Student Centre. The Association incurred operating expenses in 2025 of \$273,936 (2024 - \$285,662).

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

10. Change in non-cash working capital items

	2025	2024
Accounts receivable	\$ 23,158	\$ (16,730)
Inventory	(6,111)	24,541
Prepaid expenses	(9,199)	(124,285)
Accounts payable and accrued liabilities	(252,622)	(357,229)
Payable to Mohawk College of Applied Arts and Technology	25,361	148,712
Deferred grants and revenue	1,103	498
	<u>\$ (218,310)</u>	<u>\$ (324,493)</u>

11. Internally restricted

	2025	2024
Health and Dental Plan Fund	\$ 221,201	\$ 231,242
Contingency Fund	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>\$ 2,221,201</u>	<u>\$ 2,231,242</u>

Effective September 1, 2010, the Association entered into an agreement with Student Health Alliance Inc. ("Studentcare") to provide a health and dental benefit plan for the Association's full time students.

Total revenues for fiscal 2025 amounted to \$4,138,340 (2024 - \$4,123,835) with health plan expenses amounting to \$4,148,381 (2024 - \$4,709,051). The net deficit of \$10,041 (2024 - \$585,216) has been reflected as a decrease of the internally restricted fund as of April 30, 2025. Included in accounts payable and accrued liabilities at year end are amounts due to Studentcare of \$1,289,797 (2024 - \$1,556,691) related to fiscal 2025.

The internally restricted Contingency Fund was established to provide for funds in the event of significant shortfall in operating revenues, or for major non-budgeted capital expenditures. As at April 30, 2025, the minimum balance as approved by the Board of Directors for the Contingency Fund is \$2,000,000 (2024 - \$2,000,000).

12. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at April 30, 2025.

Financial instrument risk exposure and management

Management has established policies and procedures to manage risks related to financial instruments with the objective of minimizing any adverse effects on financial performance.

General objective, policies and processes

The Board and management are responsible for the determination of the Association's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, the Association measures and monitors risk through the preparation and review of monthly reports.

Mohawk Students' Association
Notes to the Financial Statements

Year ended April 30, 2025

12. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities. The Association is mainly exposed to liquidity risk with respect to its accounts payable. Liquidity risk is managed by the preparation of an annual budget and holding adequate cash reserves.

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 Association is exposed to credit risk through its accounts receivable. The Association has a significant number of diverse customers which reduces the concentration of credit risk.

The exposure to the above risks have not changed in the past year.

13. Commitments

The Association has entered into the agreements with estimated remaining costs as follows:

Five year agreement ending March 31, 2026, with Mohawk College for the provision of information technology service	\$ 100,000
Five year agreement ending September 30, 2026, with Mohawk College to provide donations of \$50,000 each year in support of a scholarship program	100,000
Three year agreement ending May 25, 2026 for license fees for a membership management software	9,700

14. Mohawk College

The Association has an economic interest in Mohawk College. The Association, an independent organization, provides a wide variety of services to the students of Mohawk College. Mohawk College collects the student fees and health and dental fees on behalf of the Association and transfers these fees to the Association.

Mohawk Students' Association

Notes to the Financial Statements

Year ended April 30, 2025

15. Subsequent events

Subsequent to the year end, the Association made the decision to close two food and beverage outlets that were operational in the current year. One of the outlets has been permanently closed by the Association and the other outlet will be operated by Mohawk College during the upcoming fiscal year. In the current year, business operations revenue generated from the two outlets totaled \$428,048 and business operations expenses totaled \$776,614.

Recent changes in government policies are also expected to result in a significant decrease in the number of international student enrolments in future years, and as a result, a significant decrease in fee revenue recognized by the Association. In order to mitigate the effect of these anticipated changes, management has undertaken efficiency reviews to ensure effective use of its resources. Management has made an effort to reduce costs and continues to review and assess the impact of enrolment changes on its services and activities. The Association continues to prioritize services and activities that provide the most value to students, while streamlining costs in low impact programs. An estimate of the full financial effect of these changes on the Association cannot be determined.
