

# SHERIDAN ANNUAL REPORT 2020-2021

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## A Year in Review

We are incredibly proud of how the Sheridan community has responded to the unprecedented volatility, uncertainty and complexity that have characterized the 2020-21 academic year. In a time of great disruption, Sheridan has leveraged its resilience, innovation and trailblazing ethos to advance our priorities.

The precipitous shift to virtual delivery last year challenged our community – one grounded in relationships, community, and studio-based learning. The process, however, cultivated ingenuity and – ultimately – created enormous opportunities for Sheridan and its learners – both domestic and international.

The pandemic challenged us to rethink how we deliver our signature, applied, in-person classes remotely -- in the context of our steadfast commitment to quality. Our innovative faculty teams built virtual “hands-on” labs using gaming and simulation technology. Our illustration professors collaborated with the film and television team to record video from multiple angles and stream videos of subjects while students interacted with their professor. Through collaboration, they effectively found a way to teach a 3D subject in a 2D world.

Sheridan students have demonstrated flexibility, resilience and creativity. Through a new work-integrated learning program, we provided online experiences such as virtual internships and innovation challenges where students tackled and found solutions to real-world problems.

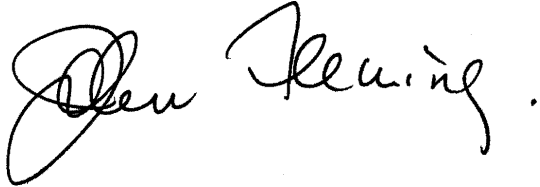
Sheridan took a number of steps this year to advance equity, diversity and inclusion. In December, for example, we joined the Government of Canada’s 50-30 Challenge. This initiative calls on organizations to diversify their boards and senior management positions to achieve gender parity – or 50% representation – and to attain significant representation – 30% – of other underrepresented groups, including racialized persons, people living with disabilities and members of the 2SLGBTQ+ community. Sheridan has reached these targets on both the President and Vice Presidents Committee (PVP), and the Board of Governors. More broadly, we will continue to work tirelessly at creating a community where everyone is bringing their full potential and experiences, knowing their unique contributions are valued.

We are very proud of how we put education and safety at the forefront of our delivery this year. We stayed true to our Sheridan 2024 goals and continued to drive toward rethinking 21<sup>st</sup> century learning, particularly for those who face barriers to accessing the transformative power of post-secondary education.



**Janet Morrison, PhD**

President and Vice Chancellor



**John E. Fleming, C Dir**

Chair, Sheridan Board of Governors



## Integrated Planning Process: An Overview

In 2019, the Sheridan community proudly released its new strategic plan, *Sheridan 2024: Galvanizing Education for a Complex World*. The plan was developed through unprecedented dialogue and debate and captured our shared vision for the future of post-secondary education. The strategic plan codifies what people value about Sheridan and what students will need to thrive in an ever-changing world. It articulates a new vision and mission for Sheridan - one that cares less about what we're called, and more about what we can help people achieve. A detailed overview of the plan is available in Appendix A, while the key priorities are outlined below:

### Sheridan 2024's Priority Areas of Impact & Empowering Enablers

Priorities	Enablers
<ol style="list-style-type: none"><li>1. Exceptional teaching, research and creativity</li><li>2. Boundless Opportunities</li><li>3. Agility and Potential</li><li>4. Reciprocal Work-Learn Relationships</li></ol>	<ol style="list-style-type: none"><li>1. Inclusion and Equity</li><li>2. People-centric Technology</li><li>3. Flourishing Workforce</li><li>4. Healthy and Creative Communities</li><li>5. Fiscal and Environmental Sustainability</li></ol>

Integrated planning is the means by which we will advance our progress on the goals and objectives of *Sheridan 2024*. It provides a comprehensive approach to institution-wide planning that is grounded in evidence-informed decision making and organizational performance measurement and is aligned with college-wide budgeting to achieve resource optimization. A core component of Sheridan's integrated planning process is the setting of ambitious yearly objectives that are realized through the development and implementation of divisional business plans.

To support this work, the integrated planning process provides in-depth consultation, tools, and resources that guide our Academic and Administrative areas from the pre-planning stage through to performance monitoring and reporting. It also includes advisory services for Sheridan's executive leadership in areas of priority setting and strategy development.

The results of Sheridan's concerted planning efforts are shared in this report, which provides an update on our programming and enrolment, and highlights the achievements that were made possible by the collective ingenuity of the Sheridan community over the past year.

## 121 Programs

13	Ontario College Certificates	40	Ontario College Diplomas	19	Ontario College Advanced Diplomas
23	Ontario College Graduate Certificates	26	Bachelor's Degrees	5	Collaborative Degrees

## Students

22,155	3,809	624	9,800*
FULL TIME	PART TIME	APPRENTICE SEATS	CONTINUING AND PROFESSIONAL STUDIES REGISTRATIONS

\*Annual projection as of April 19, 2020

## Of the full-time students:

Residency	Campus Location	Faculty	
14,927	9,014	5,393	1,233
DOMESTIC	DAVIS CAMPUS	FACULTY OF ANIMATION, ARTS AND DESIGN	FACULTY OF HUMANITIES AND SOCIAL SCIENCES
7,228	5,432	4,695	6,020
INTERNATIONAL	HMC CAMPUS	FACULTY OF APPLIED HEALTH AND COMMUNITY STUDIES	FACULTY OF APPLIED SCIENCE AND TECHNOLOGY
	7,709	4,814	
	TRAFALGAR CAMPUS	PILON SCHOOL OF BUSINESS	

## Report on 2020 - 2021 Strategic Priorities and Year 2 Objectives

### **Priority 1: Exceptional teaching, research and creativity:**

*Strengthen Sheridan's unique blend of teaching excellence, hands-on learning, research, innovation and exceptional creativity to prepare students, faculty and staff to shape and navigate the future.*

In early 2021 Sheridan launched an integrated marketing and communications strategy and campaign to promote the Fall Term, generate enrolment growth and refresh/launch the Sheridan Brand. These efforts advance our aspirations to unlock people's potential, fuel economic and social development, and make Sheridan a powerful force in the world.

### **Over this past year, Sheridan:**

- Retooled, rethought and reorganized nearly 3,000 courses for remote delivery in the final weeks of the Winter 2020 semester to facilitate remote learning when the COVID-19 pandemic first hit and Sheridan pivoted to alternate delivery.
- Developed an Online Learning and Teaching Guide through the partnership of Sheridan's Centre for Teaching and Learning (CTL) and Library Learning Services.
- Launched Faculty180 in December 2020, a searchable database of teaching and research interests that will help promote Sheridan's research and foster collaboration.
- Launched the new employee and student intranet/portal, Sheridan Central.
- Launched significant upgrades to the Sheridan Website in January 2020.
- Introduced the **Learn Well Series** – a series of workshops designed to help new students Start Well, Transition Well and Learn Well in the online environment.
- Launched **Teach Well** programming in November 2020, which offers faculty a comprehensive series of centralized resources via our online learning management system that aim to inspire innovative, inclusive, and accessible approaches to online learning.
- Launched the **Open Innovation Challenge**, a public call to Reimagine Learning and Education in our Communities. Teams will proceed through Ideation and Iteration stages before the final events in June 2021. Throughout the challenge, more than \$60,000 in prizes are available to be won.

## **Priority 2: Boundless opportunities:**

*Establish Sheridan as the epicentre for a new kind of education that enables the most flexible opportunities for open-ended, lifelong learning and success in an emerging economy. A Sheridan degree, diploma, apprenticeship program or certificate will open up diverse options for work and enable a seamless transition to ongoing education.*

### **Responding to the pandemic**

Embracing – not ignoring – the challenges and constraints brought forth by the COVID-19 pandemic, we greatly advanced our work to deliver an exceptional, flexible learning experience remotely. To that end, we:

- Moved all new student orientation online through a virtual classroom in our online learning management system.
- Established a COVID-19 Emergency Bursary Fund weeks before the federal Canada Education Relief Bursary came into being, ultimately providing over \$2.2M in immediate assistance to students in crisis.
- Conducted individual wellness checks for all known students at risk including counselling/health clients and students in residence.
- Provided personal outreach to every international student.
- Distributed food cards via the Food First initiative with Sheridan Student Union
- Quickly sourced and provided over 600 loaner laptops to students in need.
- Coordinated immigration and general information webinars.
- Brought spring/summer registrants on board through text nudging.

### **Micro-credentials**

We developed and successfully offered micro-credentials such as CNC (computerized numerical control) Rapidskills; a free 21-week program where participants learned the fundamentals of manufacturing, safe operation of large and small machinery, key machine control units and functions, programming language, and more.

### **Supporting community partners**

Formalized and launched Sheridan's giving back and giving forward strategy: Youth Amplified. Over the past year, we have worked with inaugural partners and provided several volunteer opportunities for students and staff including:

- BIGS on Campus group mentoring with Big Brothers Big Sisters of Peel
- Student bursary support and mentorship with Home Suite Hope
- Postsecondary readiness series with Eclipse Youth Centre
- Use of Davis Campus computer labs for programming with Black Boys Code (on hold due to COVID-19)

### **Support for economic recovery**

Sheridan's Community Outreach and Recovery Taskforce brought together pan-institutional representatives to respond to requests for support in the wake of the pandemic. The team:

- Facilitated the donation of unused PPE to local hospitals (valued at \$52K).
- Supported our Centre for Advanced Manufacturing and Design Technologies (CAMDT) to create and donate two types of reusable, medical-grade face shields for frontline staff in hospitals and long-term care (producing approximately 200 shields per day).
- Supported a partnership with Coca-Cola Canada that saw the rapid fabrication of protective countertop shields for small businesses (\$75K from Coca-Cola Canada funded the material that was used in CAMDT to 3D-print 200 countertop shields). A subsequent partnership with Coke Bottling resulted in the fabrication of 500 plastic face shields for donation to Food Banks Canada volunteers.
- A Sheridan in Brampton sub-committee continued to advance projects and programs that contribute to the quality of life in Brampton and affirm Sheridan as a visible and valuable community partner.
- Sheridan employees provided board- and committee-level representation at the Brampton Board of Trade, Oakville Chamber of Commerce and Mississauga Board of Trade.

### **Priority 3: Agility and Potential**

*Sheridan will be known for a signature palette of capabilities designed to foster lifelong learning, critical thinking, initiative, agility, collaboration, equity and creativity. This palette will guide truly unique, learner-centric experiences that position everyone to navigate an unpredictable, possibility-filled world with confidence.*

In March 2020, Sheridan unveiled the new S-Sense framework. Through a focus on active self-design, our S-Sense will empower each student to develop their own signature strengths to become resilient and agile leaders, capable of meeting complexity and change with confidence within their programs and their future careers. Our S-Sense is more than a list of skills – it's a mindset enhanced by the strengths of our signature programs, faculty, and staff. Helping our students develop their S-Sense in a meaningful, life-long way requires a robust supporting landscape of high-impact practices and experiences that cultivate reflection, experimentation, growth, and innovation. Developing the S-Sense as a learning experience is a key component of the Sheridan 2024 Strategic Plan.

#### **Over this past year, Sheridan:**

- Completed major design elements for the delivery of the S-Sense signature learning framework.
- Launched the S-Sense Design-Scape opportunity for faculty.
- Completed the new Continuing and Professional Studies (CAPS) “Contact Centre”, by building internal capacity and infrastructure to support CAPS' ability to respond to all customer inquiries.
- Developed and piloted the Sheridan Start workshop initiative with a focus on college readiness for all Sheridan students.
- Unveiled Sheridan's School of Mechanical and Electrical Engineering Technology's first virtual reality lab, which debuted in the Spring of 2020.

#### **Priority 4: Reciprocal work-learn relationships**

*Engage with communities and employers to strengthen learning-integrated work, locally and globally, co-creating new approaches for hands-on learning, continual development and interdisciplinary innovation. Everyone at Sheridan – learners, faculty and staff – will continually build expertise, knowledge and experience through innovative work-learn possibilities.*

The pandemic has created the opportunity for a renewed focus on employer engagement and enhanced opportunities for Work Integrated Learning and career connections. In July 2020, Sheridan's Career-Integrated Learning (CIL) department, in collaboration with the Faculty of Animation, Art and Design (FAAD) and the Entrepreneurship Discovery and Growth Engine (EDGE) innovation hub, launched the Virtual Internship Program (VIP) to ensure students could continue to enjoy work-integrated learning opportunities during COVID-19. The program included 3 streams that students could choose from: VIP - Work (420-hour traditional co-op), VIP – Innovation Accelerator (10-week innovation challenge), and VIP – COVID-19 Project (discipline-specific COVID-19 project).

#### **Over this past year, Sheridan:**

- Announced a \$2 million gift from automotive technology supplier Magna in December 2020. The gift will allow Sheridan to update labs with state-of-the art equipment, create much-needed scholarships, provide resources for training, and fuel important learning beyond the classroom through student participation at skills competitions – all in support of learners in the Skilled Trades.
- Launched the student facing ORBIS database, which will [insert here what's the benefit as ORBIS is a brand name and the reader won't know the connection to WIL/CIL].
- Developed protocols (safety and risk management) and started placing summer internships.
- Secured Canada Summer Jobs funding for 43 students.
- Enabled 99% of co-op and internship students to receive the experiences they needed to be granted full credit for the term.
- Partnered with Durham College to receive up to \$100K in funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to support up to 10 small and medium enterprises in the Canadian media industry by sharing their applied research centre services and expertise.
- Continued to use Sheridan Connect to provide opportunities for current students and new graduates seeking career advice and mentorship to meet virtually with alumni. The online platform, supported by RBC Future Launch, has already registered over 2,500 alumni, students, faculty, and staff.

## **Enabler 1: Inclusion and Equity**

*Every individual at Sheridan will work to actively embed inclusion and equity into their spheres of influence. Together, we will create a community where everyone is bringing their full potential and experiences, knowing their unique contributions are valued.*

To better foster working, learning and teaching environments wherein dignity, individualization, integration and full participation are valued and respected, Sheridan made the following commitments in June, 2020:

- We will ensure every employee at Sheridan receives unconscious bias, anti-oppression and anti-racism training. We are committed to listening and learning from people whose lived experiences are different than our own and to continue educating ourselves about barriers to inclusion and equity that are inherent in our culture, policies, practices, curriculum, pedagogy, and interpersonal relationships.
- We will facilitate access to our programming, we will launch a scholarship program to promote the recruitment and enrolment of Black and Indigenous applicants.
- We will work with our community partners to facilitate skill and interest development related to our disciplinary strengths such as engineering, music theatre, and animation at the primary school level, regardless of economic status or race.
- Sheridan's Equity, Diversity and Inclusion Advisory Council-- which was formed in 2019 and includes faculty, staff and student members who identify as Black, Indigenous and racialized – we will continue to inform Sheridan's future actions and assess the efficacy of our change agenda. We will recognize that their perspectives are fundamental to creating and implementing recommendations that can generate meaningful change.
- We will continue to report our progress to our Board of Governors (whose meeting minutes are public) on a quarterly basis.
- We will, over the next two academic years, in the Faculty of Animation, Arts and Design, hire 6 professors who self-identify as Black or Indigenous. To deliver on this commitment, we will disrupt our normal hiring processes, which are built on a legacy of racial bias that must be upended. Ontario's Human Rights Code recognizes that employee recruitment strategies of this nature may be necessary to rectify the historical disadvantage experienced by specific marginalized groups.

### **Over this past year, Sheridan:**

- Hired eighteen new part-time/partial load faculty members within the Honours Bachelor of Music Theatre Performance program, with a total of twenty BIPOC faculty members teaching in the program this year. Two full-time faculty positions were filled under the auspices of a special program framework to attract Black and Indigenous faculty and help to address the under-representation of racialized groups.



- Implemented Sheridan’s first-ever, mandatory self-identification census for all employees in March, 2020 that captured six domains of diversity (gender, race and ethnicity, Indigenous self-identification, physical ability, sexual orientation, and faith/creed).
- Joined Industry Canada’s 50-30 pledge in December 2020, which calls on organizations to diversify the members of their boards and senior management positions to achieve gender parity – or 50% representation - and to attain significant representation – 30% - of other under-represented groups, including racialized persons, people living with disabilities (including invisible and episodic disabilities), and members of the 2SLGBTQ+ community. Sheridan has met these targets. Similar targets are part of the Black North Initiative which Sheridan joined in July 2020. We continue to work toward those targets and have achieved its additional goal of providing unconscious bias and anti-racism training for all employees.
- Created a new bursary for Black students which assisted 513 learners in fall, 2020. One hundred and fifty (150) students in most need received \$1,500 each, 67 students received \$1,000 each, and the remaining 296 students received a bursary in the amount of \$250. In total \$366,000 was disbursed.
- Organized a 2-day training session, delivered by Osgoode Hall Law School, for 60+ managers and front-line employees on identifying, addressing and preventing sexual violence on campus.
- Launched an “Expanding the Lens” training and awareness series that brought in industry guests to lead workshops on anti-racist theatre (October 2020), contemporary Indian dance (November 2020) and a three-part series on cultural responsiveness training (December 2020 – March 2021) for the Honours Bachelor of Music Theatre Performance Program.
- Developed and delivered Accessibility for Ontarians with Disabilities Act (AODA) compliance training and sexual violence training for the Board of Governors.
- Launched an Employment Systems Review in January 2020 to assess whether Sheridan’s employment systems, including policies and practices (informal and formal) are implemented in a manner that promotes fairness and equity.

## **Enabler 2: People-centric Technology**

*Invest in a range of interactive and intelligent technologies that enhance the student experience and faculty and staff capacity to effectively carry out their work.*

Sheridan has launched Project Springboard -- a project and portfolio management process to support efforts to enhance the student and employee experience. Project and portfolio management helps departments understand their role in the process and determine the resources they need to allocate to project and portfolio management. Project Springboard includes a framework to schedule, coordinate and track technology projects. Sheridan has aligned its key projects under four Portfolio areas: Academics, Administration, Human Resources and Student Experience.

### **Over this past year, Sheridan:**

- Completed 18 large scale IT projects across the College through Project Springboard, including:
  - International Mobile App
  - Student Timetable Assistant
  - A new budgeting software implementation with Activities Based Budgeting capabilities
  - Text to Speech Solution for our learning management system
  - Server upgrade for Sheridan's Continuing and Professional Studies registration platform and e-commerce site
  - Implementation of online Expense Claim process and software
  - Adobe digital signature implementation for processes identified as critical
  
- Founded the Office of Enterprise Architecture. The Office has established a common framework for Enterprise Architecture across Sheridan and integrates with existing key frameworks at the College (Integrated Planning, Project Portfolio Management Office, Information Technology Service Management).

### **Enabler 3: Flourishing Workforce**

*Foster wellness, creativity and personal and professional fulfilment among staff and faculty through a culture of innovative risk taking, interdisciplinary collaboration, lifelong learning and flexible work environments.*

Fostering community wellness is foundational to delivering ground-breaking, standard-setting educational experiences for Sheridan's students and to remaining an employer of choice – particularly during a global pandemic, when wellness is of utmost concern. Sheridan's efforts were aimed at advancing a flexible workplace strategy, enhancing key HR processes to support operational effectiveness and building a culture of change and transition management.

#### **Over this past year, Sheridan:**

- Improved performance feedback and development processes for leaders and employees.
- Developed and implemented an Employee Engagement Action Plan in response to our first-ever employee engagement survey, which addresses five key areas for improvement.
- Fully re-integrated the Budgeting department into the hiring workflow.

#### **As part of the COVID Response effort, Sheridan:**

- Developed a Health and Safety Guideline for essential service staff who continue to work on-site.
- Created an Employee Wellness Guide for COVID-19.
- Provided PPE for all students and employees on campus.
- Implemented a Remote Work Taskforce to develop supports for remote/hybrid operation.
- Deployed Microsoft Teams across the College to support remote work.
- Developed leadership resources to assist teams as they navigated change in the work environment due to the pandemic.

## **Enabler 4: Healthy and Creative Communities**

*Create healthy and vibrant communities on each campus and across Sheridan through design, wellness practices and physical spaces that bolster our community members and their ideas, and nurture diverse approaches to creativity and innovation.*

Sheridan launched a Campus Wellness Strategy in January 2021 with input from over 1,100 student consultations, 344 employee voices, 20 engagement sessions and more than 300 feedback forms. The Strategy is spearheaded by our Human Resources Department and guided by the Sheridan Wellness Committee which consists of 24 employees and students from across the college. The four guiding pillars of the Strategy are a Whole Systems Approach, Healthy Supportive Environments, Promoting Life-Long Wellness, and Inclusive Wellness Services.

A parallel effort saw the delivery of a new Campus Master Plan, which articulates the quality of place each campus offers, and places an emphasis on creating more attractive, user-friendly and inclusive built and natural environments with a focus on sustainability and wellness. The plan ensures that Sheridan's physical resources and campus settings support the institution's vision, mission and goals as expressed in the Sheridan 2024 Strategic Plan.

**Over this past year, Sheridan achieved the following milestones in each of these related areas:**

### **Campus Wellness Strategy**

- Launched *Sheridan Wellness: Our Strategy for Community Well-being* to the Sheridan Community in January 2021.
- Provided additional Mental Health Supports for all members of the Sheridan Community including expanded online supports for students.

### **Campus Master Plan and Space Management**

- Finalized the Campus Master Plan and began phased implementation of associated plans and space management activities.

### **Sustainability**

- Selected in May, 2020 as a participating institution in Sustainable Development Solutions Network (SDSN) Canada. Since then, Sheridan has made progress on several fronts related to the Sustainable Development Goals (SDG), including the appointment of Sheridan's first SDG Coordinator with SDSN Youth.

### **Planning for On-Campus Activity**

- Supported essential on-campus teaching and learning for program completion in August 2020 and for the Fall/Winter semester. Reviewed the use of spaces and movement on campus to support physical distancing and minimize risk of community transmission.
- Established security coverage planning that supports specific phased return to campus.
- Worked with contracted security vendor to develop COVID related enforcement protocols and procedures for security guards and supervisors.
- Conducted deep cleaning and regular sanitization of used spaces and high touch point areas to reduce risk of community transmission.

## **Enabler 5: Fiscal and Environmental Sustainability**

*Lead, manage and innovate for long-term sustainability, seeking novel approaches to funding options and partnerships, and reinforcing our leadership in green campus initiatives.*

In addition to our COVID-19 response, Sheridan focused on the several initiatives to support its financial and environmental sustainability. Through our approach to Strategic Enrolment Management, we focused on integrated innovation for rapid enrolment recovery, amplified the conversion of both new and returning students, and provided guidance to international students regarding Immigration, Refugees and Citizenship Canada changes. Our Pandemic Financial Strategies included the development and implementation of enhanced and flexible processes and practices to support financial administration in the dynamic pandemic context. We also enhanced our decision supports for recovery by providing expertise in primary research, data analysis and modeling, and planning supports to propel evidence-based decision making and enhance Sheridan's recovery efforts.

### **Over this past year, Sheridan:**

- Ensured the alignment and integration of pan-institutional pandemic related tactical planning and response in support of enrolment, revenue generation and expense avoidance.
- Developed and implemented a Flexible Payment plan for students for Spring/Summer and Fall term.
- Developed a Flexible Budget Approach (vs static annual budget) for the next 12 – 18 months to support business continuity in the absence of predictable data. This includes making regular adjustments to the budget.
- Adapted continuous enrolment forecast models to handle rapid, real-time changes related to COVID-19, augmented data and analytics infrastructure to provide leading indicators of enrolment, introduced section optimization and strategic information, and worked closely with key decision makers to leverage Integrated Planning and Analysis information.
- Enhanced the integrated planning culture across the institution through the integration of key planning processes, evolving decision making and planning support and processes, and providing strategic consultancy supports to pan-institutional priority areas.
- Identified and supported initiatives to strengthen corporate governance in the current context, including responding to challenges/opportunities in remote governance work for the Board of Governors, Senate, and associated subcommittees, and the delivery of education and training for senior leaders regarding interaction with the Board of Governors.

## Appendix A: Sheridan 2024

### SHERIDAN 2024

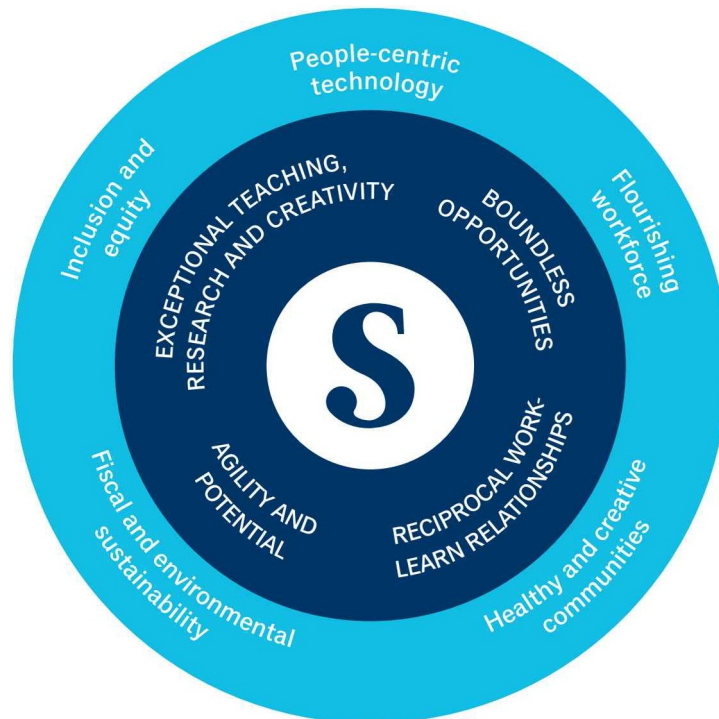
In March 2019, the Board of Governors approved Sheridan's new Strategic Plan 2019-2024: Galvanizing Education for a Complex World.

#### Sheridan's Vision:

Sheridan is the epicenter for groundbreaking, standard-setting higher education that unleashes everyone's full potential and empowers people to flourish in and shape an ever-changing world.

#### Sheridan's Mission:

Cultivate resourceful, highly skilled, and creative people and communities through cross-pollinated, active learning and the relentless incubation of new ideas.



#### Land Acknowledgement Statement

Sheridan acknowledges that all of its campuses reside on land that for thousands of years before us was the traditional Territory of the Mississaugas of the Credit First Nation, Anishinaabe Nation, Huron-Wendat and the Haudenosaunee Confederacy.

Appendix B: Audited Financial Statements

# 2020/21 Financial Results

JUNE 16, 2021



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Sheridan acknowledges that all of its campuses reside on land that for thousands of years before us was the traditional Territory of the Mississaugas of the Credit First Nation, Anishinaabe Nation, Huron-Wendat and the Haudenosaunee Confederacy. It is our collective responsibility to honour and respect those who have gone before us, those who are here, and those who have yet to come. We are grateful for the opportunity to be working on this land.

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## 1.0 Introduction

2020/21 was marked by the global covid-19 pandemic that had significant health, social and financial impacts on people and organizations around the world. Sheridan is no different and to succeed during the pandemic required significant shifts in programs and services and financial agility to weather the storm.

It's also important to note that Sheridan remains in good financial health. Through historical prudent financial management, Sheridan has built up healthy reserves and maintains cash and short term operating investments that are available to meet the challenges of the pandemic and set Sheridan up for success in a volatile, uncertain, complex and ambiguous future world post pandemic.

As discussed in the budget report, Sheridan is managing its finances in accordance with the following five budget principles:

1. Continue to advance the strategic plan through the year three objectives.
2. Prioritize strategies that minimize the impact on permanent staff and students.
3. Prioritize programs and services that support broader community impact.
4. Prioritize enrolment recovery and revenue generating opportunities to improve the bottom-line and re-invest to support the strategic plan.
5. Prioritize operational efficiency strategies to reduce costs while maintaining or improving value.

These principles will help ensure the long-term financial sustainability of Sheridan.

The purpose of this report is to provide context and explanation for Sheridan's 2020/21 financial results. This report will provide an overview of the pandemic impact on enrolment followed by an analysis of significant financial results in revenues, expenses and net assets.

## 2.0 Pandemic Context and Enrolment

The pandemic created a great deal of uncertainty which significantly impacted Sheridan's ability to forecast and manage financials. The following are a summary of key pandemic events that impacted this past year's financials:

In the spring 2020 term, the pandemic was in the early days of what was initially expected to be a short-term impact of various restrictions. Program delivery was quickly pivoted to an online format, however pandemic restrictions impacted many student's decisions to attend post-secondary, especially international students. It also became clear that the pandemic would create unexpected costs due to personal protective equipment, cleaning, and security needs. Management implemented a discretionary spending freeze to preserve cash flow and financial sustainability.

In June, the Board approved the pandemic budget that included a commitment to continually review the budget during the year due to the uncertainty. This budget contemplated various enrolment

## 2020/21 Financial Results

scenarios that would leave an impact of anywhere from \$80 to \$197 million in decreased revenues. The Board ultimately approved a \$30.8M deficit budget.

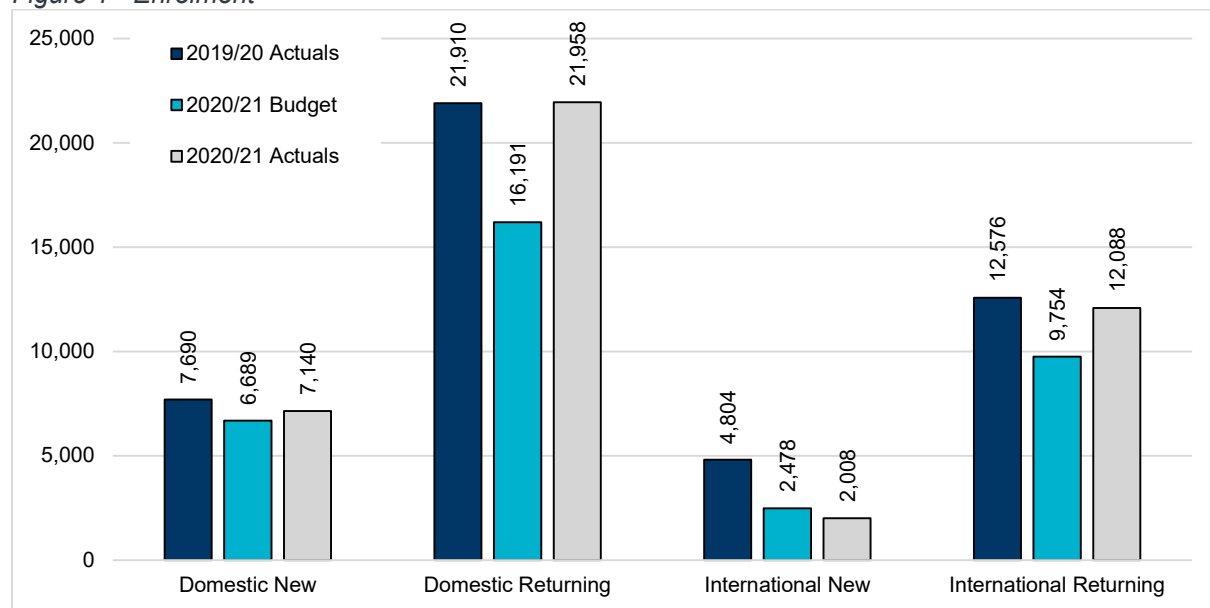
Uncertainty continued in the fall with the introduction of policies related to study permits for virtual learning as well as the designated institution list. Sheridan was initially delayed in being approved for the designated institution list which created further concern around Sheridan's ability to recruit international students. This was later resolved, and recruitment efforts rebounded. Also in the fall, surprise measures were implemented which limited attendance for in-person classes which also resulted in forecasted expenses related to increased teaching costs.

The uncertainty continued in the winter with the resumption of a full lockdown and stay at home order. While in the end these challenges didn't significantly impact Sheridan programs, it still created uncertainty and the need to contemplate increased expenditures to meet health and safety requirements as workplace inspections ramped up.

The following chart shows the actual enrolment results, how they compare to 2019/20 and the approved budget. Key highlights include:

- Domestic new student enrolment declined by 550 compared to 2019/20 but ended up better than the approved budget.
- Domestic returning students also performed significantly better than budget with the pandemic having minimal impact on retention.
- International new student enrolment declined significantly compared to 2019/20 and came in below budget. This was due to the various pandemic related restrictions and visa delays impacting student's ability to attend Sheridan.
- Similar to domestic, international returning enrolments came in better than expected with higher than usual retention rates for international students.

Figure 1 - Enrolment

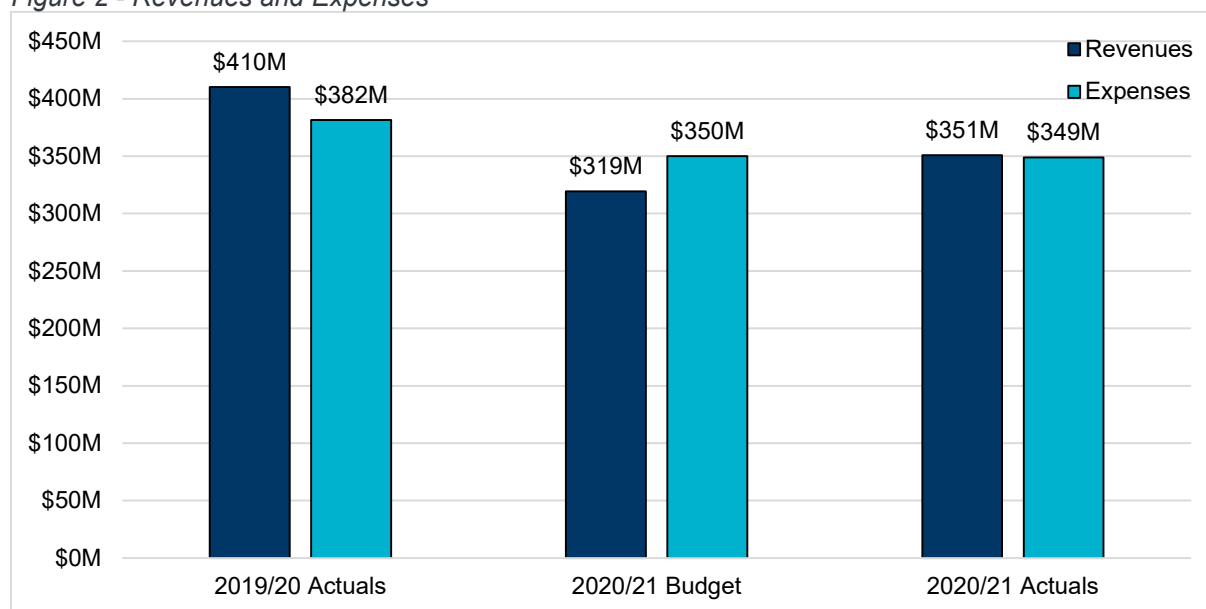


### 3.0 Revenues and Expenses

Sheridan's Statement of revenues and expenses shows our overall surplus results. This section of the report will discuss key trends in revenues and expenses and how those compare to the approved budget.

The following chart shows Sheridan's 2020/21 revenues and expenses compared to 2019/20 actuals and the 2020/21 budget. Revenues declined year-over-year by \$59.4 million, however came in significantly higher than the approved budget by \$31.6 million. Actual expenses were also reduced year over year by \$32.6 million and came in slightly under budget by \$1.2 million.

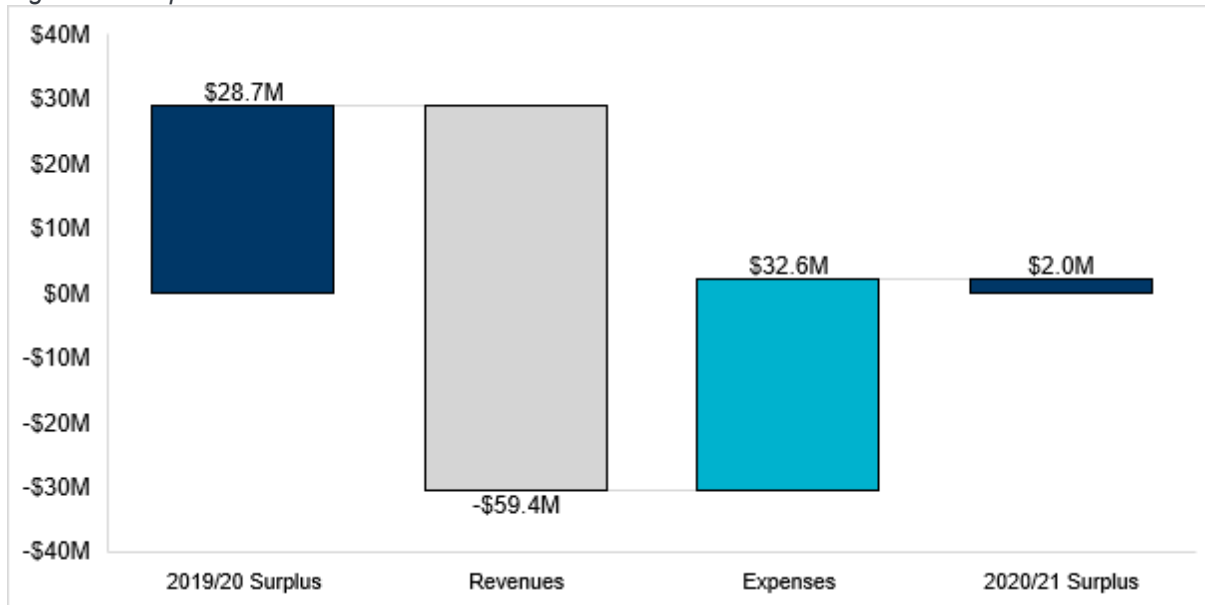
Figure 2 - Revenues and Expenses



### 3.1 Surplus / Deficit

The following waterfall chart shows the change from Sheridan's surplus of \$28.7 million in 2019/20 to \$2.0 million in 2020/21. Revenues declined by \$59.4 million from \$410.2 million in 2019/20 to \$350.9 million in 2020/21. This revenue loss was offset by reduced spending. Expenses declined by \$32.6 million from \$381.5 million in 2019/20 to \$348.9 million in 2020/21.

Figure 3 - Surplus / Deficit

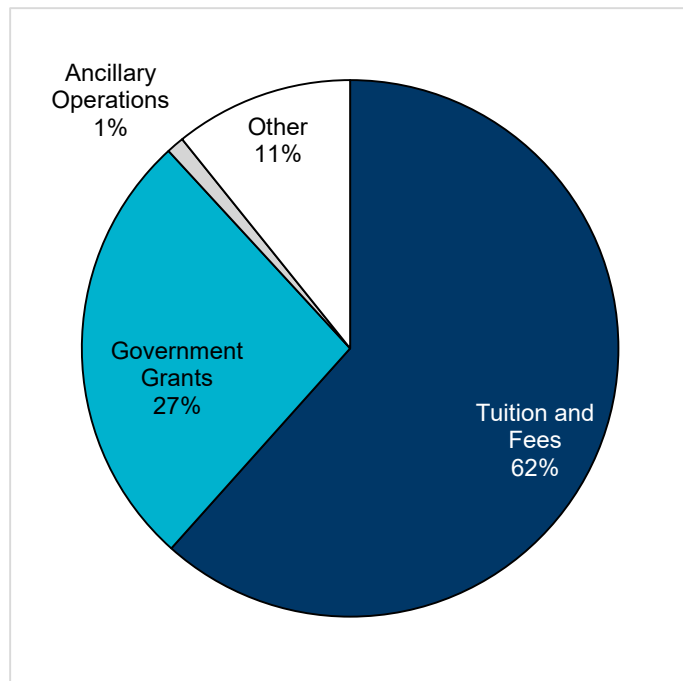


### 3.2 Revenue

Sheridan's revenue sources are shown in the chart to the right. In 2020/21, the proportion of revenue from various sources are as follows:

- 62% from tuition and fees of which the majority is from international tuition revenues.
- 27% from government grants which is primarily from the enrolment based and performance based funding envelopes.
- 12% from other sources including ancillary operations, research, amortization of deferred contributions, gain on disposal of assets and miscellaneous.

Figure 4 - Revenue Sources



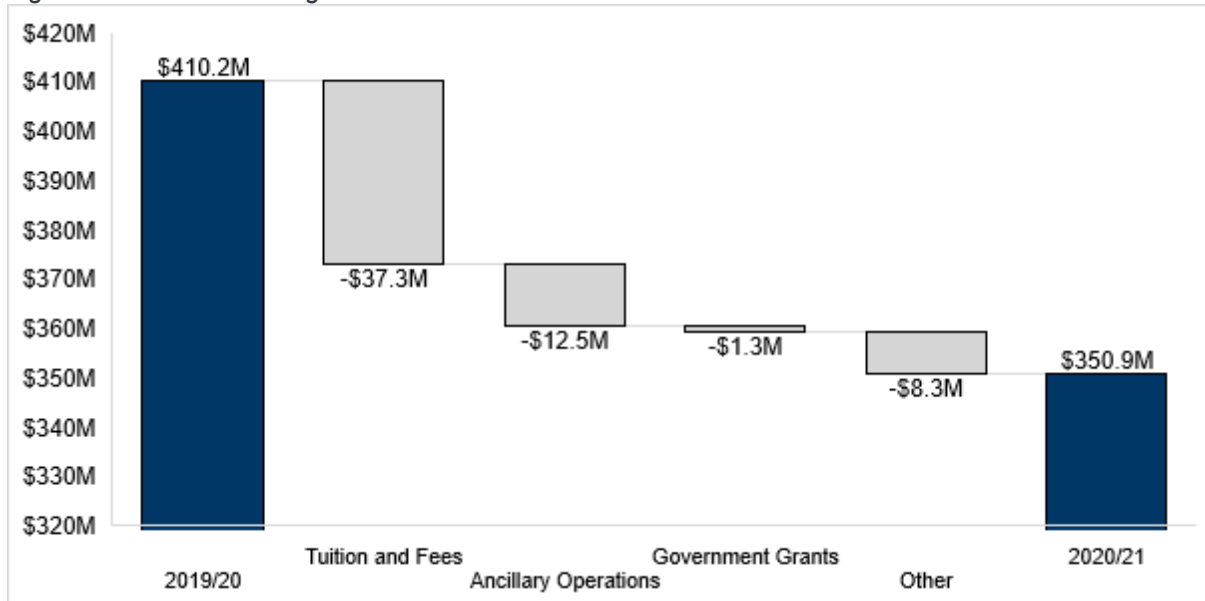
Sheridan's revenues declined by \$59.4 million this past year from \$410.2 million in 2019/20 to \$350.9 million in 2020/21. This decrease is broken down in the following chart and summarized below with additional details in the subsequent sections:

- Tuition and fees revenue have decreased by \$37.3 million due to lower enrolment.
- Ancillary operations revenue decreased by \$12.5 million due to less on campus activity for parking, residence and food services.
- Government grant revenue decreased by \$1.3 million.

## 2020/21 Financial Results

- Other revenues, including amortization of deferred contributions, decreased by \$8.3 million. This was not directly related to the pandemic and is discussed in further detail below.

Figure 5 - Revenue Change 19/20 to 20/21

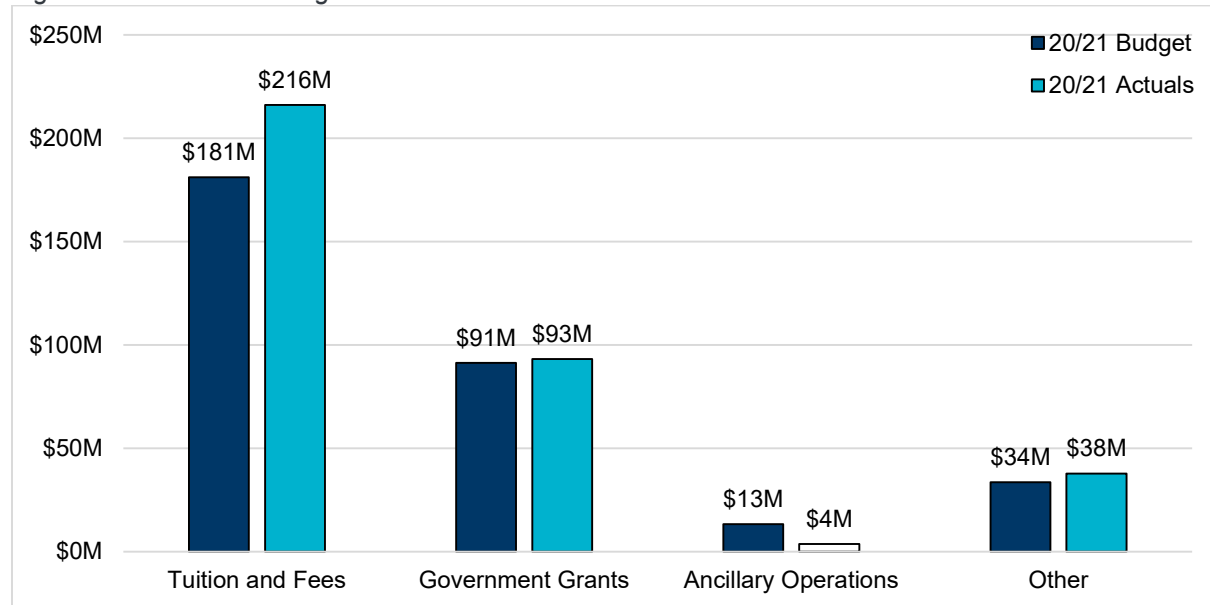


In comparison to the approved budget, revenues improved by \$31.6 million from a budget of \$319.3 million to actuals of \$350.9 million. This can be broken down as follows:

- \$35.1 million from tuition and fees due to better than expected enrolment, both for international and domestic students.
- A reduction of \$9.6 million in ancillary operations revenue due to restrictions in on campus activity for parking, residence and food services.
- \$1.8 million from government grants including additional capital funding and some improvements to special purpose grants such as mental health funding.
- \$4.3 million from other revenues primarily related to the proceeds on the sale of land for Trafalgar road widening purposes.

## 2020/21 Financial Results

Figure 6 - Revenues: Budget to Actuals

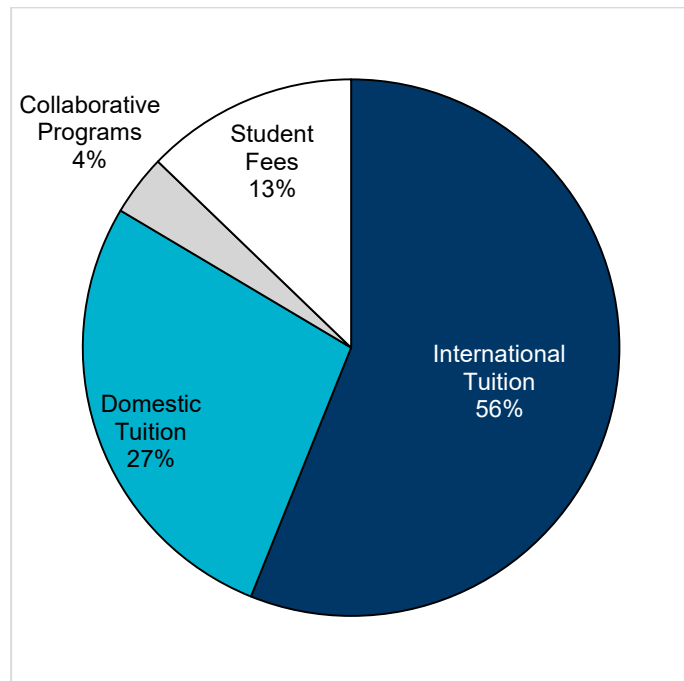


### Tuition and Fees

The breakdown of tuition and fees revenue is shown on the chart below and is summarized as follows:

- 55% from international tuition revenues
- 28% from domestic tuition revenues
- 13% from student fees including compulsory ancillary fees, program fees and various user charges. Approximately 1/3 of this revenue would be from international students with the remaining 2/3 from domestic students.
- 4% from Sheridan's share of the tuition revenue for the partnerships with University of Toronto Mississauga and York University.

Figure 7 - Tuition and Fee Sources



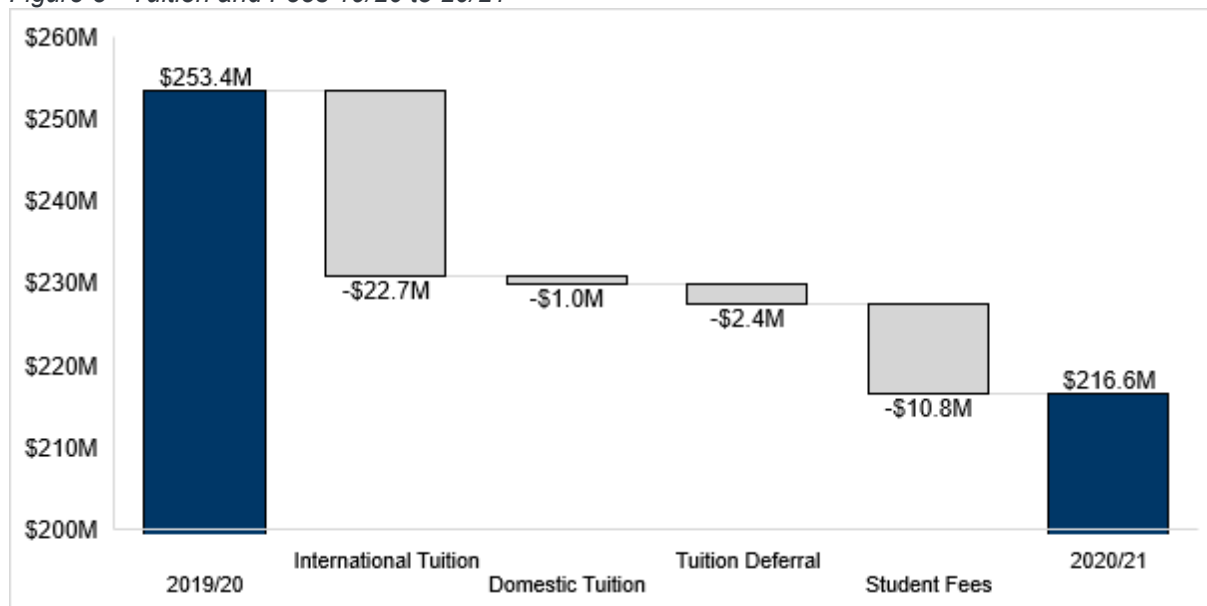
Sheridan's tuition and fees revenue declined by \$37.3 million this past year from \$253.4 million in 2019/20 to \$216.2 million in 2020/21. This decrease is broken down in the following chart and summarized below:

- \$22.7 million decrease in international tuition revenue due to pandemic related travel restrictions and government delays in processing study permit applications.

## 2020/21 Financial Results

- \$1.0 million decrease in domestic tuition revenue again due to pandemic restrictions on program delivery but also partially attributed to the government's policy on tuition and fees which required a 10% decrease to domestic tuition in 2019/20 and freeze thereafter. Prior to this policy, domestic tuition rates were typically increased by 3% per year.
- \$2.4 million decrease related to the tuition deferral. This is a result of the delayed start to the Winter 2021 semester which increases the percentage of winter 2021 revenues that will now be recognized in 2021/22 fiscal year instead.
- \$10.8 million decrease in student fee revenue. This is due to lower enrolment as well as fee reductions that were implemented each term to reflect the shift in delivery of programs and services from in-person to online or hybrid.

Figure 8 - Tuition and Fees 19/20 to 20/21

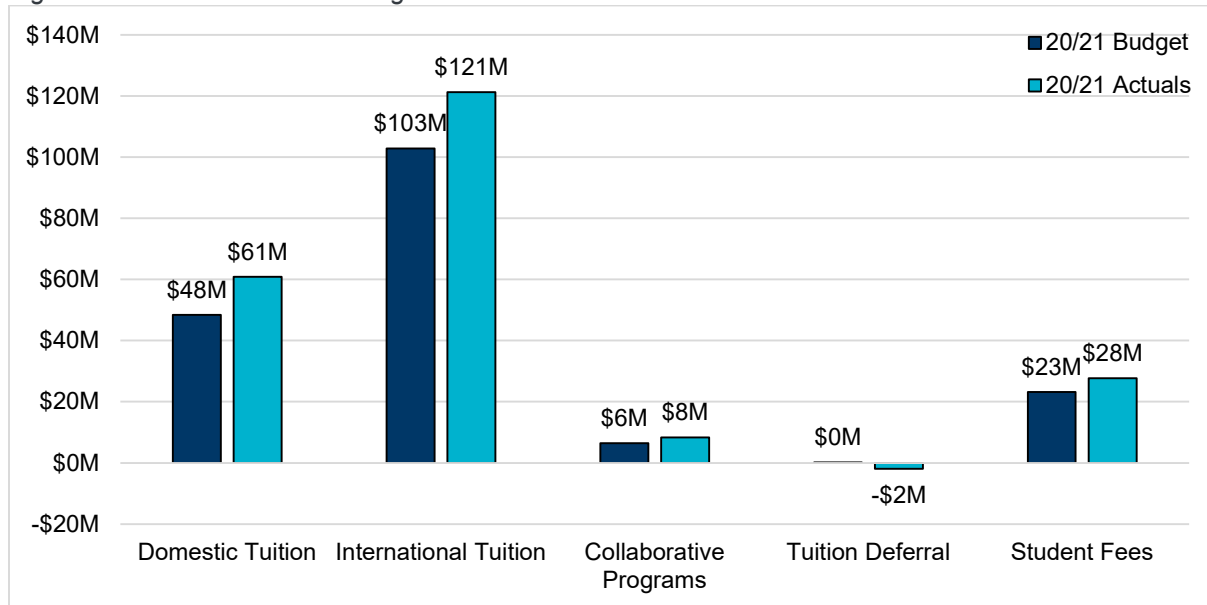


In comparison to the approved budget, tuition and fee revenues improved by \$35.1 million from a budget of \$181.1 million to actuals of \$216.2 million. This increase is due to higher than expected enrolment as explained previously. This can be broken down as follows:

- \$12.5 million above budget for domestic tuition revenues.
- \$18.4 million above budget for international tuition revenues.
- \$1.9 million above budget for collaborative program revenues.
- A decrease of \$2.2 million from budget for the tuition deferral due to the delayed start of the winter 2021 term which pushes a greater proportion of revenue into 2021/22 fiscal year.
- \$4.5 million above budget for student fee revenues.



Figure 9 - Tuition and Fees: Budget to Actuals

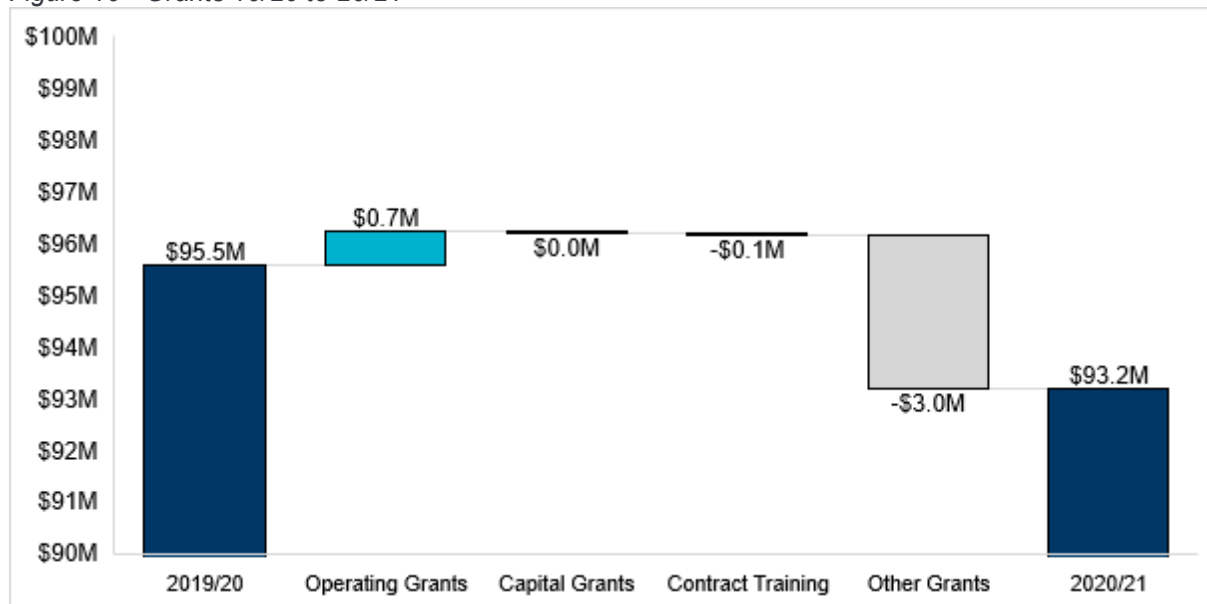


### Government Grants

Government grants were primarily unchanged from 2019/20 to 2020/21. Key changes are summarized in the chart below and as follows:

- The government is continuing the implementation of performance based funding. Each year, a greater percentage of operating grants will be tied to performance metrics, however, due to the pandemic, the government has guaranteed performance funding at 100% for 2020/21.
- In addition, operating grants are higher due to a decrease in the international student recovery amount given that international enrolments are lower. Per government policy, colleges lose \$375 per international student per term.
- The government has also made minor improvements to some special purpose grants, particularly those that support mental health for students and staff.
- The large change in other grants is due to the end of various training contracts with the federal government in 2019/20. This was Sheridan's decision as the funding was insufficient to cover the total operating costs.

Figure 10 - Grants 19/20 to 20/21

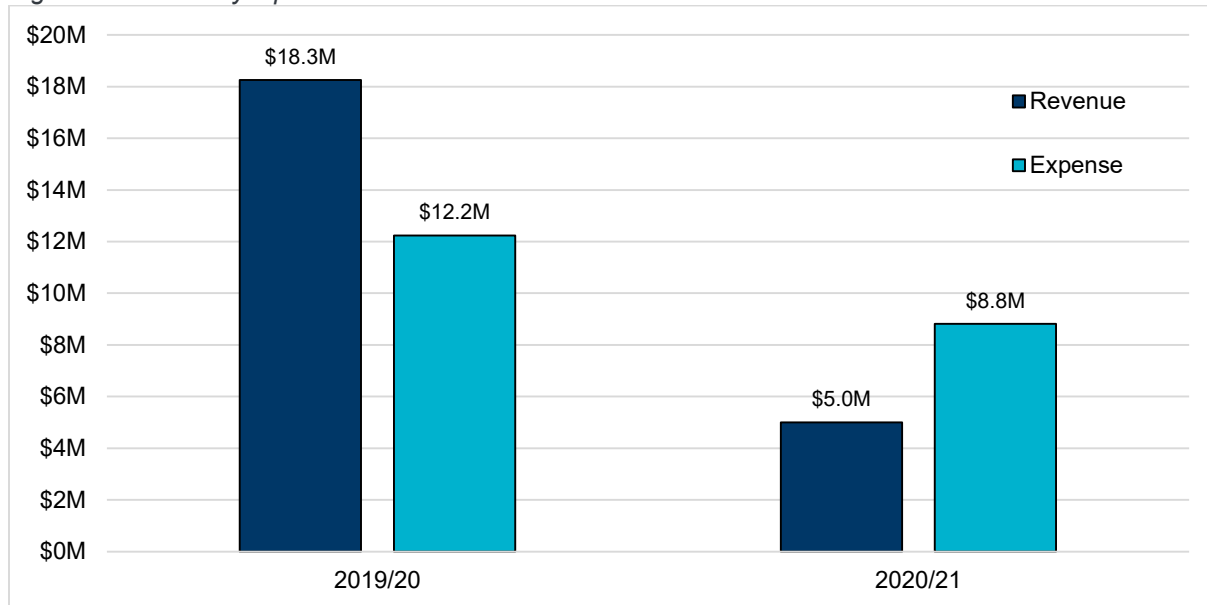


### Ancillary Operations

Ancillary operations were significantly impacted by the pandemic. The chart below shows the comparison from 2019/20 to 2020/21 for revenues and expenses. Key highlights include:

- Revenues for 2020/21 also include one card fee revenues that are reported under student fees revenue above as well as some other sources that are reported as other revenues.
- Overall, ancillary operations realized a revenue loss of \$13.3 million that is offset by an expense reduction of \$3.4 million in 2020/21. The main drivers of this are:
  - Residence revenue was down \$7.5 million but offset by lower expenses by \$2.0 million.
  - Parking revenues were down by \$2.6 million with only a small reduction in expenses.
  - Food services, bookstore and print shop revenue was down \$1.4 million.
  - Conference centre and services revenue was down by \$0.9 million and offset by a \$0.4 million reduction in expenses.

Figure 11 - Ancillary Operations 19/20 to 20/21

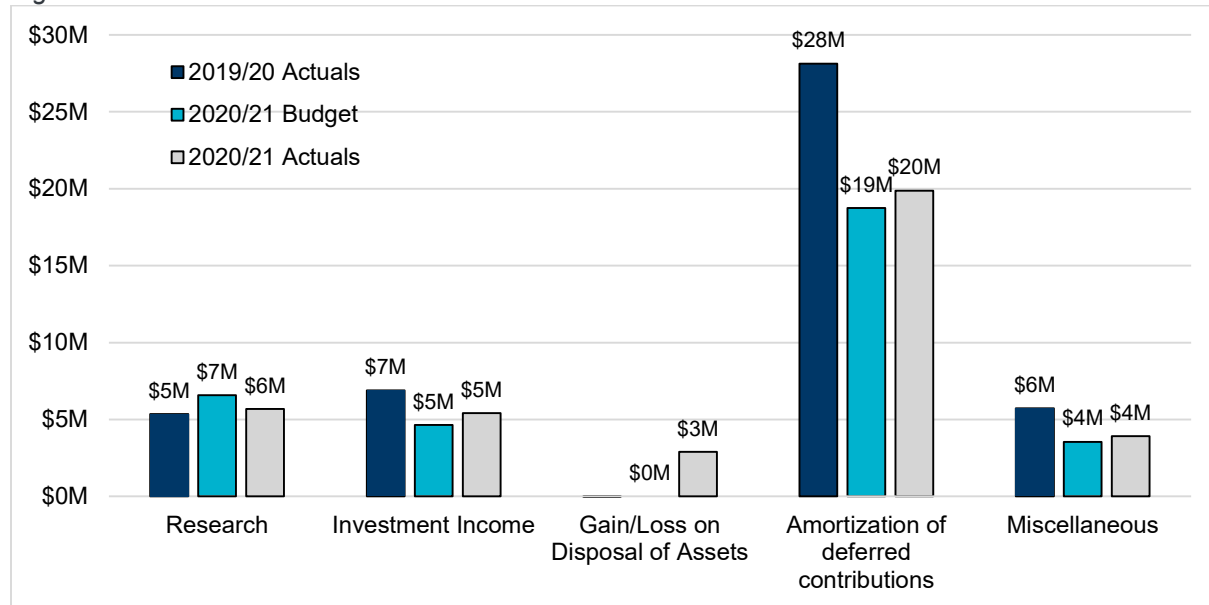


### Other Revenues

Other revenues were \$8.3 million lower than 2019/20 but were \$4.3 million higher than budget. These variances can be explained as follows:

- A small, year-over-year increase of \$332k for research revenues, however below budget by \$887k due to the timing of projects (revenue is recognized proportionately as the project is completed).
- A year-over-year decline of \$1.5 million from investment income due to lower interest rates as a result of the pandemic, however, this was slightly above budget by \$767k.
- A year-over-year increase of \$2.9 million related to the gain on sale realized on the sale of Trafalgar land for road widening purposes. This revenue was not forecasted at the time of the budget approval.
- A year-over-year decline of \$8.3 million for amortization of deferred contributions. This is due to a one-time withdrawal in 2019/20 by the Sheridan Student Union for capital needs related to HMC2A and other student centre projects.

Figure 12 - Other Revenues



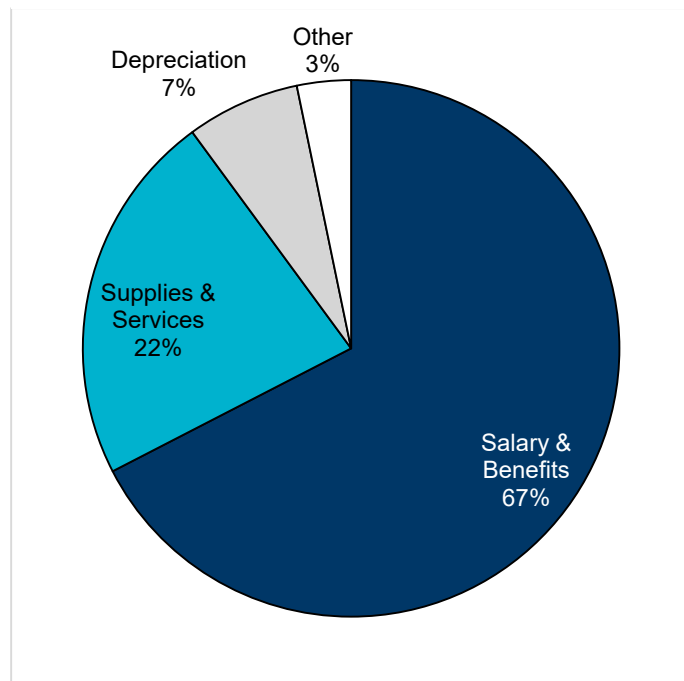
### 3.3 Expenses

Sheridan's expenses are shown in the chart to the right. In 2020/21, the proportion of expenses from various sources are as follows:

- 67% for salary and benefit expenditures.
- 22% for supplies and services
- 7% for depreciation of capital assets.
- 3% for other expenses including expenses related to deferred contributions. These are for awards, bursaries and other restricted spending.

Sheridan's expenses declined by \$32.6 million this past year from \$381.5 million in 2019/20 to \$348.9 million in 2020/21. This decrease is broken down in the following chart and summarized below with additional details in the subsequent sections:

Figure 13 - Expense Sources

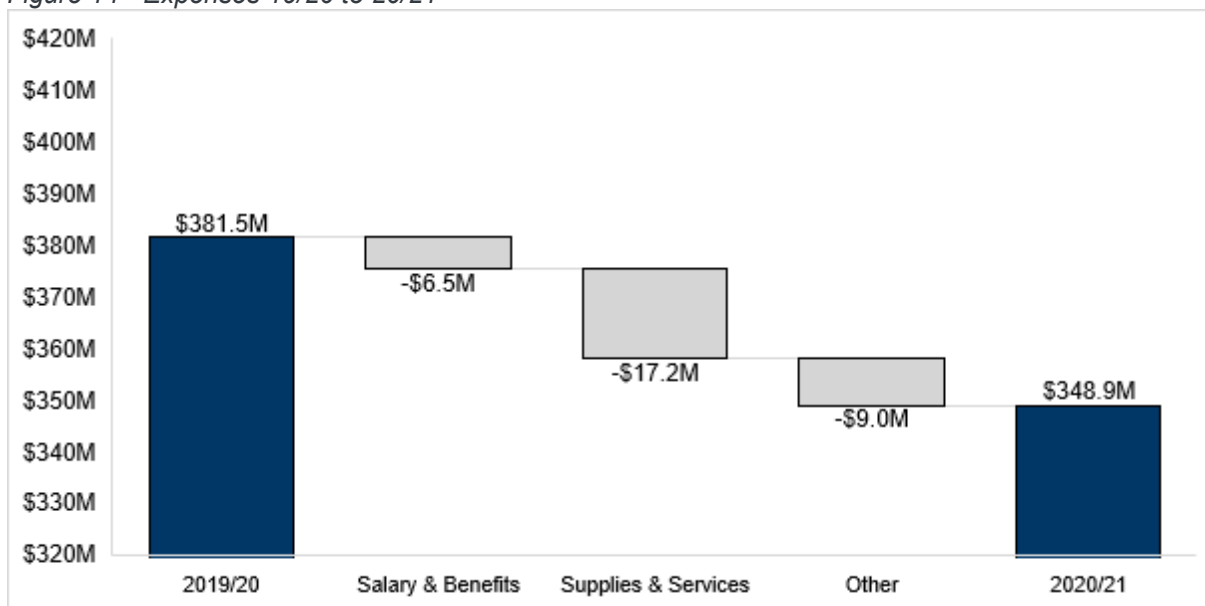


- Salary & Benefits expenditures have decreased by \$6.5 million due to a hiring freeze, voluntary retirement program and some part-time staff layoffs due to limited on campus activity.

## 2020/21 Financial Results

- Supplies and services expenditures decreased by \$17.2M due to a discretionary spending freeze and lower expenses related to pandemic restrictions for on campus programs and services including:
  - \$5.7 million from reduced utilities, maintenance and cleaning costs.
  - \$4.9 million from reduced supplies.
  - \$3.9 million from reduced ancillary operations expenditures.
  - \$3.7 million from reduced training and professional development and travel costs.
  - This is offset by an increase of \$1.0 million spread across other expense types.
- Other expenditures decreased by \$9.0 million primarily due to a one-time withdrawal in 2019/20 by the SSU from the Student Centre fund for the HMC2A project and other student centre needs.

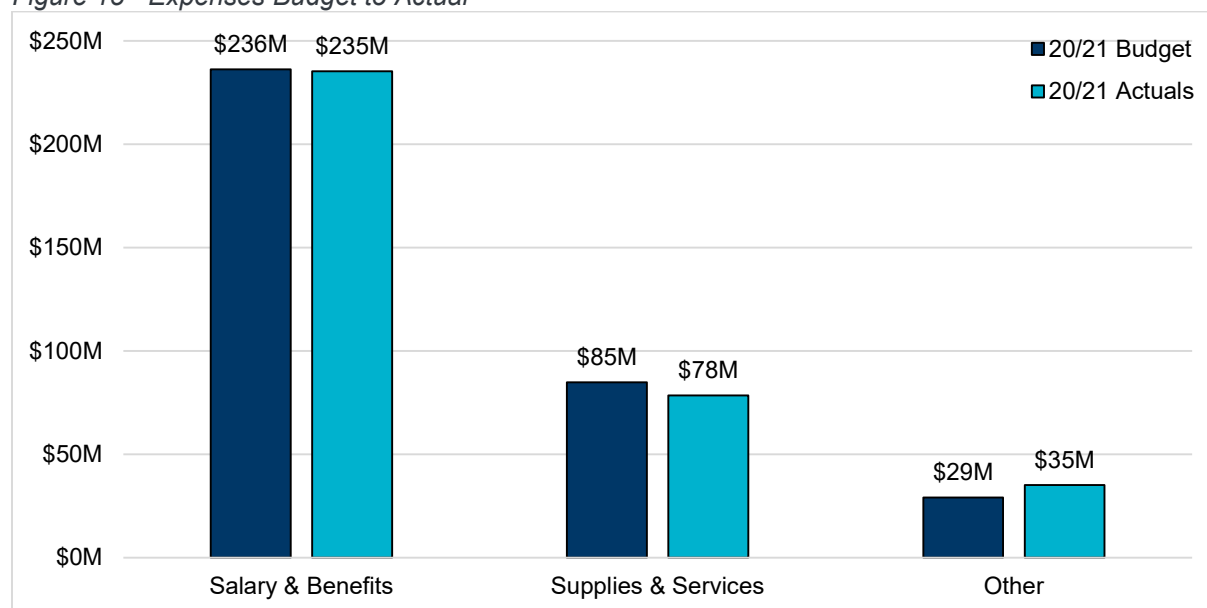
Figure 14 - Expenses 19/20 to 20/21



In comparison to the approved budget, expenses improved by \$1.2 million from a budget of \$350.0 million to actuals of \$348.9 million. This can be broken down as follows:

- \$1.0 million from lower than budgeted salary and benefit spending which includes:
  - An increase of \$1.2 million over budget on full-time salary and benefits
  - A decrease of \$2.8 million under budget on part-time salary and benefits
  - An increase of \$0.7 million on post employment obligations, including vacation pay, sick leave and future benefits.
- \$0.2 million from lower than budgeted non-salary spending.

Figure 15 - Expenses Budget to Actual



## 4.0 Assets, Liabilities and Net Assets

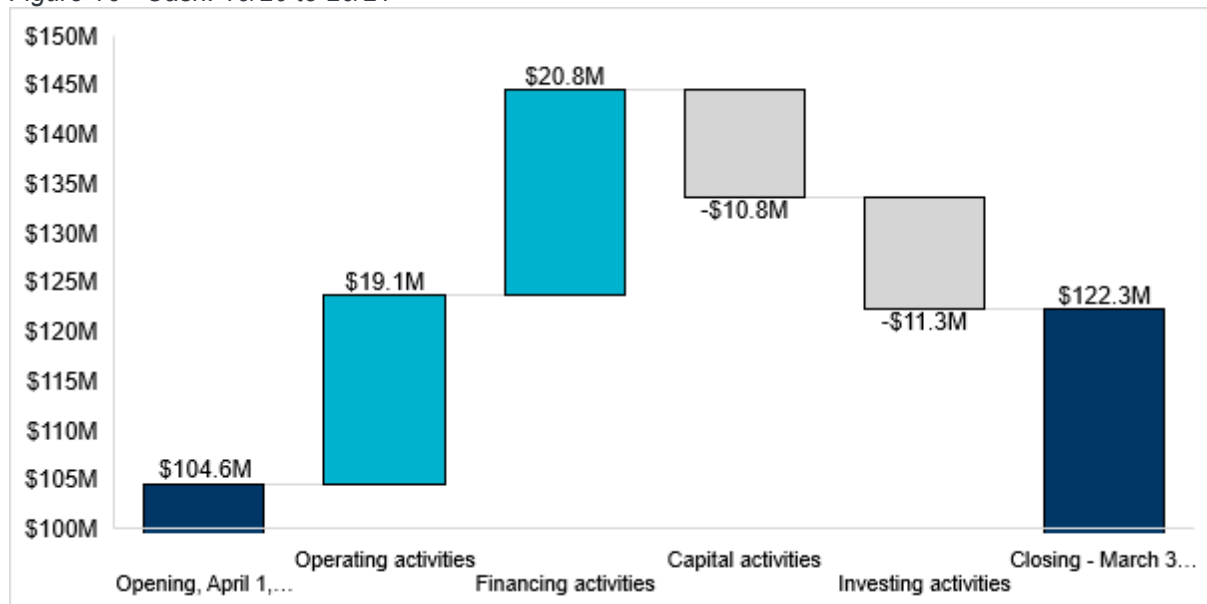
This section of the report provides an overview of some of the key areas from the Statement of Financial Position including cash, operating investments, accounts receivables, endowment fund, loans, restricted funds and net assets / accumulated surplus.

### 4.1 Cash and Operating Investments

Overall, Sheridan's cash balance increased by \$17.8 million during 2020/21 from an opening balance of \$104.6 million to a closing balance on March 31, 2021 of \$122.3 million. The cash flow statement details the changes throughout the year and is summarized below:

- \$19.1 million from operating activities is driven by the day-to-day revenues and expenses of the college including payments from students, grants received, payment of wages and vendor invoices, etc...
- \$20.8 million from financing activities is driven by \$23.6M in loan advances received over 2020/21 from the OFA for the HMC2A project less \$3.0M for principal payments on the four existing long-term loans for the Davis and Trafalgar residences, Davis gymnasium and Davis A-wing.
- \$10.8 million for capital activities including \$2.9M in contributions received for capital assets plus \$3.6M proceeds on the disposal of capital assets less the purchase of \$17.2M in new capital assets.
- \$11.3 million for investing activities that is driven by the increase in the market value of our endowment assets which is recognized in deferred contributions under operating activities.

Figure 16 - Cash: 19/20 to 20/21



In addition to cash, Sheridan hold's funds not required in the short-term in three guaranteed investment certificates totaling \$163.8 million as outlined in the following table. These investments were acquired in the early stages of the pandemic as a way to mitigate the risk of market volatility and expected drop in interest rates which did materialize shortly thereafter. Sheridan's bank savings rate dropped from 2.35% to 0.85% during the early stages of the pandemic so these investments are preserving more than \$3.2 million worth of interest revenue that otherwise would have been lost.

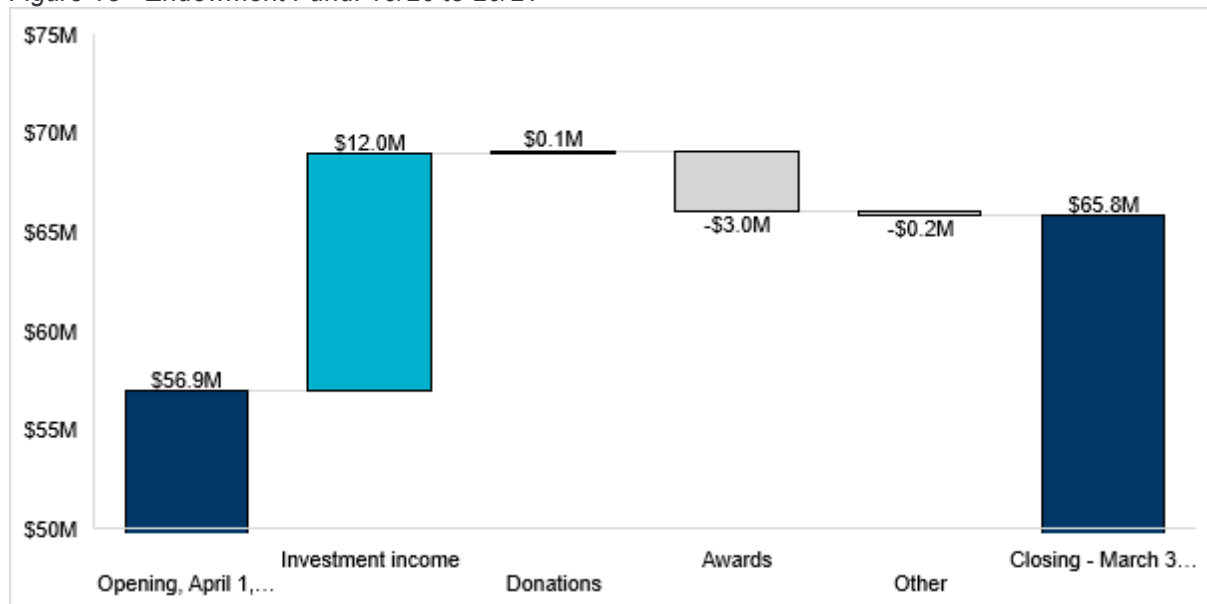
Figure 17 - Operating Investments

In \$ thousands	Maturity	Yield	Principal
DUCA Credit Union	February 2022	3.00%	41,280
Meridian Credit Union	March 2022	2.85%	81,600
Meridian Credit Union	April 2022	2.70%	40,917
<b>Balance as of March 31, 2021</b>		<b>2.85%</b>	<b>163,797</b>

## 4.2 Endowment Fund

The value of Sheridan's endowment fund increased from \$56.9 million to \$65.8 million in 2020/21. This was primarily due to market volatility early on in the pandemic that caused a drop in the market in March 2020. Markets have since rebounded and that impact can be seen in the \$12 million increase in investment income. In addition, the Board authorized increased spending from the endowment up to \$3 million to support student financial aid. This limit was fully spent in 2020/21.

Figure 18 - Endowment Fund: 19/20 to 20/21



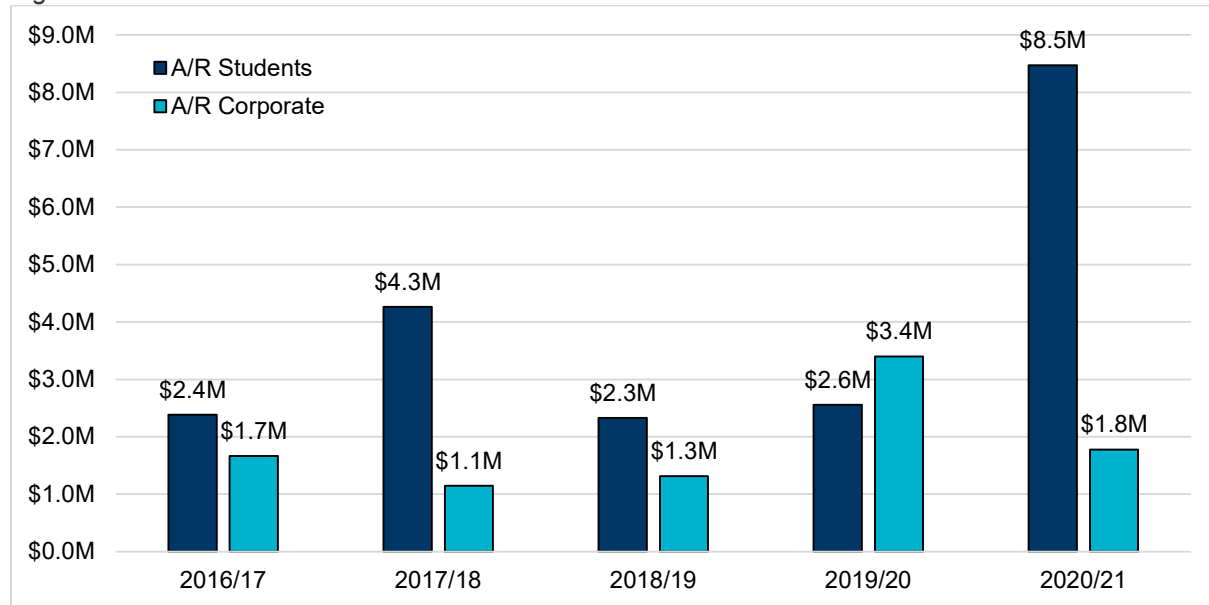
### 4.3 Accounts Receivable

The student accounts receivable balance increased significantly in 2020/21 from \$2.6 million at the end of 2019/20 to \$8.5 million at March 31, 2021. This increase is due to the following factors:

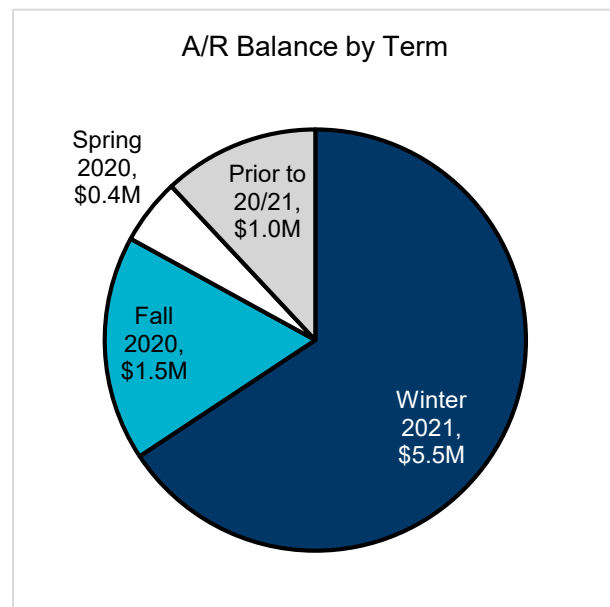
- Introduction of more flexible payment options for students to support continued enrolment in times of financial hardship due to the pandemic. These supports included:
  - Introduction of a payment plan option starting in the spring 2020 term and continuing through the rest of the fiscal.
  - Lower deposit amounts to encourage students to accept offers of admission.
  - A promise guarantee in both the fall and winter terms that allowed students to attend beyond the normal withdraw date with a guaranteed full refund.
  - Loosened restrictions on account holds allowing students to register for subsequent terms even if they had a balance owing.
  - Suspended collections activities in the early phases of the pandemic to mitigate reputational risk.
- Changing the payment timelines and registration process so that now students only need to indicate an intent to register in advance of the term and have until day 10 of the term to pay. There may be students that completed the intent to register but didn't properly withdraw and thus have still been charged. This will be analyzed further once winter 2021 grades are available.
- Pandemic related hardships that have reduced income sources for students due to layoffs and other economic factors.



Figure 19 - Historical A/R Balances



The following chart shows the breakdown of the student A/R balance by term. There is a significant portion of outstanding amounts from the Winter 2021 term. As discussed above, this could be due to the new intent to register process. Once winter 2021 grades are available, we will be able to determine which students have charges but ultimately didn't complete their studies. Also, these students will be unable to register for subsequent terms until these balances are paid if these are students that continued. An appropriate response will be determined once this analysis has been completed.

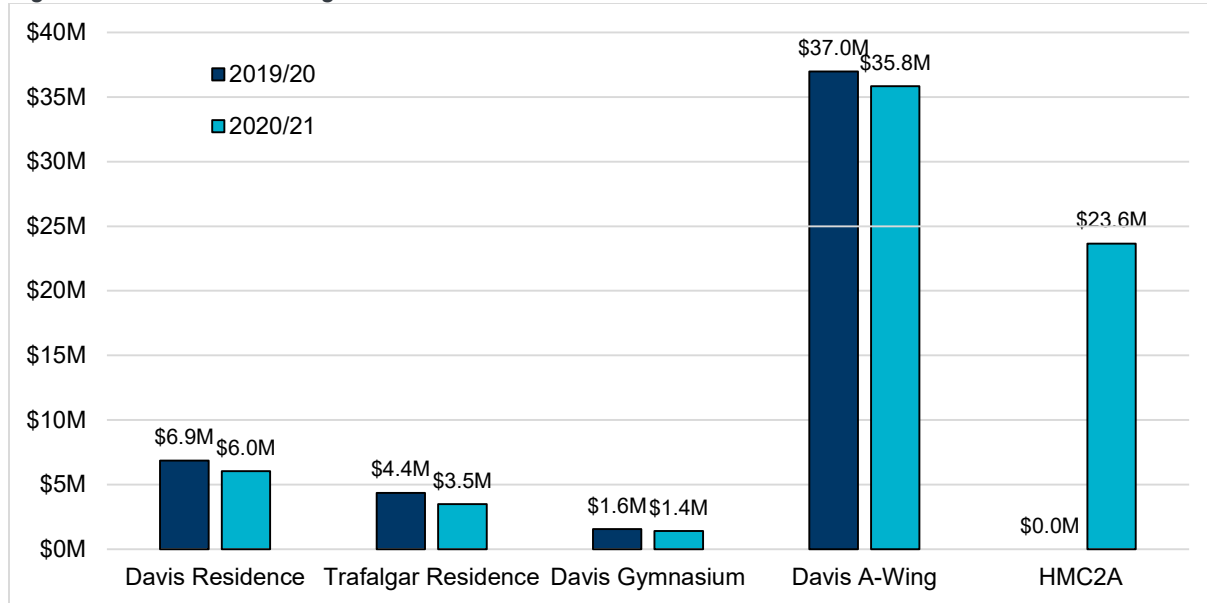


### 4.4 Loans and Long-Term Debt

Loans and long-term debt have increased from \$49.8 in 2019/20 to \$70.4 million at this year end. The significant increase is due to the new loan from the Ontario Financing Authority (OFA) for the HMC2A project. This loan is listed as a current liability as this is the first part of a two-part loan agreement whereby the first facility is a bridging loan that is due on a specific date and then converted into a 25-year facility 2 loan provided certain conditions are met. Due to delays in the HMC2A project, Sheridan is currently renegotiating the terms of the OFA loan for a revised completion date.

The other existing four long-term loans are all 25 year agreements that are in various stages of payback with the Trafalgar residence maturing in 2024, both Davis Residence and Davis gym maturing in 2027 and then the Davis A-wing in 2042.

Figure 20 - Loans and Long-Term Debt



### 4.4 Restricted Funds

On the Statement of Financial position, there is a line item for Deferred contributions related to expenses of future periods in the amount of \$48.3 million. This is specifically for external contributions that were received that are restricted for specific purposes as follows:

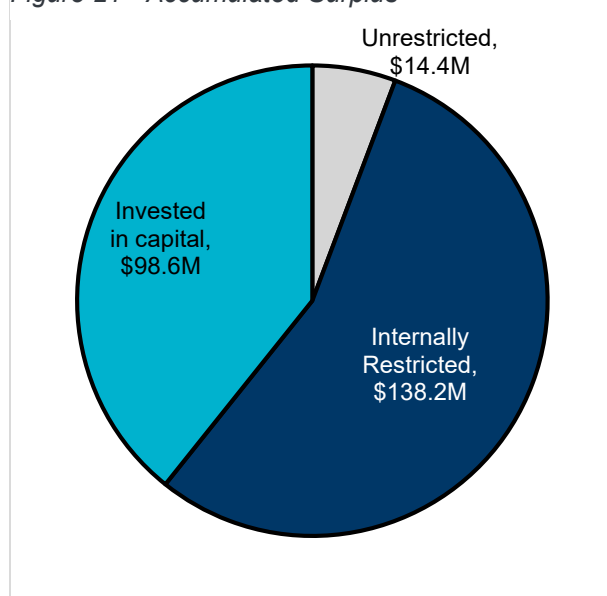
- \$32.8 million for the returns generated on the endowment fund that are available to spend.
- \$3.7 million for non-endowed bursaries and scholarships
- \$5.9 million for other including various fund raising accounts for specific departments and programs.
- \$5.9 million for the student centre which includes fees collected from students that must be spent on student centre buildings.

## 4.5 Accumulated Surplus

Sheridan's accumulated surplus of \$251.2 million includes the cumulative difference between revenues and expenses since the inception of the college. The accumulated surplus is shown on the Statement of Financial Position and is broken down into the following components:

- Unrestricted assets at \$14.4 million which includes \$35 million for operating that is being used as a contingency and offset by \$20.6 million for post-employment obligations including vacation pay, employee future benefits and sick leave benefits.
- Internally restricted assets at \$138.2 million which are further discussed below.
- Invested in capital assets at \$98.6 million which are also described below.

Figure 21 - Accumulated Surplus



### Internally Restricted Reserves

In 2020/21, \$14.3 million was spent from internally restricted reserves, including the following:

- \$2.8 million for project springboard projects
- \$3.6 million for other strategic initiatives including strategic enrolment management, the campus master plan and Galvanizing Education Hub.
- \$6.3 million for infrastructure funds and other capital spending needs.
- \$0.9 million for financial aid spending
- \$0.7 million for other operating needs.

For future years, the following reserves are proposed for Board approval:

- \$14.4 million for strategic initiatives including project springboard, Galvanizing Education initiatives, strategic enrolment management, sustainability and the campus master plan.
- \$116.3 million for capital and infrastructure needs, including HMC, technology equipment including employee devices and academic technology, and ongoing maintenance needs.
- \$6.5 million for various operating needs including budget rollovers, financial aid, research projects, professional development, insurance and AODA.

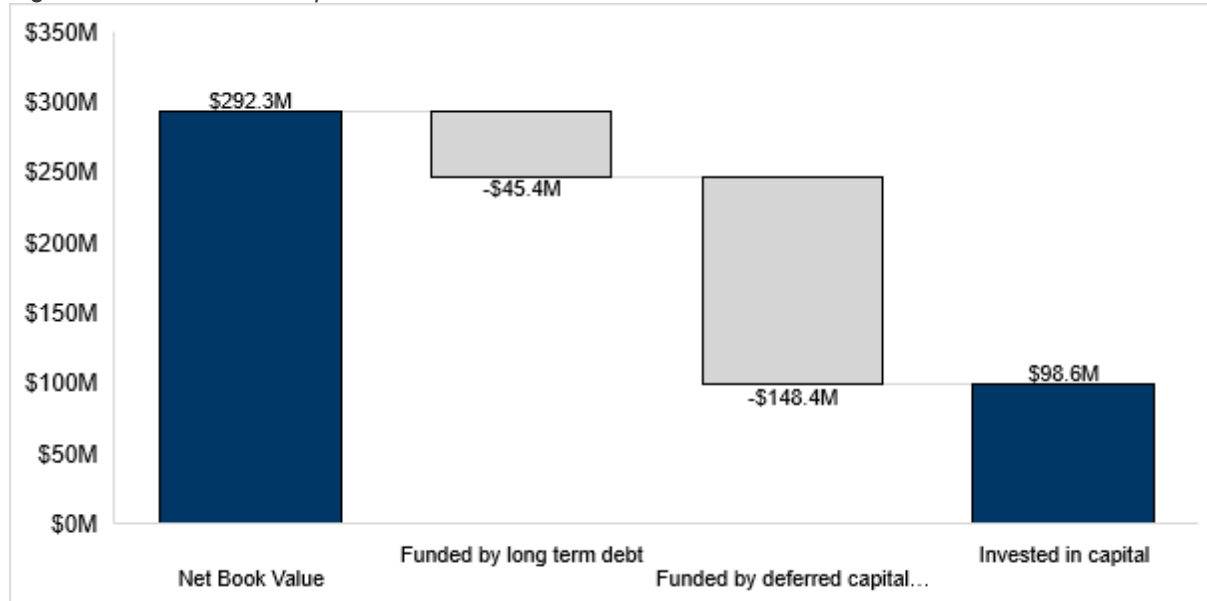
### Invested in Capital

The invested in capital amount of \$98.6 million represents the amount of Sheridan's annual surpluses and deficits that have been invested in capital assets. While these funds are included in the total accumulated surplus, it is important to note that these funds could only be used for other purposes if the underlying assets were sold.

## 2020/21 Financial Results

This amount is also calculated as the net book value (original cost less accumulated amortization) of Sheridan's assets less the amounts that are funded from external sources including long-term debt and deferred capital contributions.

Figure 22 - Invested in Capital



## 5.0 Financial Health Indicators

The following table shows the draft financial health indicators for 2020/21 compared to the previous two years. These measures are discussed below.

Ratio	Benchmark	2020/21	2019/20	2018/19
Quick ratio	1.0 or higher	2.65	1.67	4.00
Total Debt to Assets	35% or less	22.82%	19.96%	19.86%
Debt Servicing ratio	3% or less	1.44%	1.36%	1.25%
Net Assets to Expense	60% or higher	116.12%	106.96%	107.04%
Surplus to Revenue	1.5% or higher	0.57%	7.00%	11.92%
Annual Surplus	Positive	2,008,820	28,720,402	48,010,208
Accumulated Surplus	Positive	251,230,127	249,221,307	220,500,905

### Quick Ratio

This ratio is a measure of our ability to meet our short term financial obligations by comparing current assets to current liabilities. Current assets include cash, accounts receivables and short-term investments (<1 year). Current liabilities includes bank indebtedness, accounts payable and accrued liabilities.

Sheridan exceeds the Ministry benchmark and we continue to have sufficient cash on hand to meet our short-term obligations. Sheridan's ratio has increased over 2019/20 due to \$124

million in two-year GICs now becoming due within one year and thus being counted as a current asset.

### Debt to Assets Ratio & Debt Servicing Ratio

These ratios measure the amount of debt that we are carrying and the ability to make payments as well as the ability to borrow new funds. Sheridan exceeds the MCU benchmarks for both of these ratios. The increase from 2019/20 is due to \$23.6 million in loans added for the HMC2A project.

### Net Assets to Expense Ratio

This metric measures the ability for us to continue operations in the event that there is a delay in revenue streams (e.g. ability to use reserves to sustain operations). Sheridan is well above the MCU benchmark for this metric. Improvement from 2019/20 is due to lower expenses while still achieving a small surplus that increases net assets.

### Surplus and Accumulated Surplus Ratios

These metrics measure the size of our surplus/deficit relative to in-year revenue and gauge our ability to operate within a balanced budget and sustain operations for the future. Sheridan was below the Surplus to Revenue ratio benchmark of 1.50% due to the pandemic (but still achieved the other two metrics). This was an intentional strategy to use the accumulated surplus to mitigate pandemic related revenue losses.

# Sheridan

Financial Statements and Supplementary Information of

## **THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Year ended March 31, 2021

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Index of Financial Statements and Supplementary Schedule**  
**Year ended March 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of The Sheridan College Institute of Technology and Advanced Learning

### **Opinion**

We have audited the financial statements of The Sheridan College Institute of Technology and Advanced Learning (the "College"), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of revenue and expenditures for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2021, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the 2020/21 Financial Results document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the 2020/21 Financial Results document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditors' Responsibility 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 16, 2021

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Statement of Financial Position

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash (note 3)	\$ 122,345,023	\$ 104,578,578
Short-term investments (note 3)	124,121,793	-
Grants receivable	1,769,217	1,212,916
Accounts receivable (note 4)	14,723,668	13,664,541
Prepaid expenses and deposits	5,078,098	4,776,910
	268,037,799	124,232,945
Endowment fund investments (note 3)	65,683,905	55,440,387
Long-term investments (note 3)	41,605,611	164,485,611
Student levy receivable (note 5)	1,235,304	1,400,915
Construction in progress (note 6)	34,295,427	24,554,264
Capital assets (note 6)	292,344,130	308,691,556
	<b>\$ 703,202,176</b>	<b>\$ 678,805,678</b>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 36,437,720	\$ 36,512,754
Accrued payroll and employee benefits	21,563,482	20,553,291
HMC2A advance - OFA loan (note 7)	23,644,222	-
Current portion of long-term debt (note 10)	3,159,235	2,995,966
Deferred revenue (note 8)	64,793,688	71,235,346
Note payable to Sheridan Student Union Incorporated (note 9)	16,525,980	14,427,420
	166,124,327	145,724,777
Long-term debt (note 10)	43,602,056	46,761,290
Employee future benefits (note 14)	1,506,000	1,491,000
Sick leave benefit entitlements (note 14)	5,631,000	5,351,000
Deferred contributions (note 11):		
Construction in progress	5,500,000	5,500,000
Capital assets	148,352,954	153,325,821
Expenses of future periods	48,282,658	38,564,828
	<b>418,998,995</b>	<b>396,718,716</b>

*Continued on next page*

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Statement of Financial Position

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Net assets:		
Unrestricted:		
Operating	35,000,000	35,000,000
Vacation pay accrual	(13,447,589)	(12,732,630)
Employee future benefits accrual (note 14)	(1,506,000)	(1,491,000)
Sick-leave benefit accrual (note 14)	(5,631,000)	(5,351,000)
	14,415,411	15,425,370
Internally restricted (note 17)	138,184,073	126,629,787
Invested in capital assets (note 12)	98,630,643	107,166,150
Restricted for endowments (note 3)	32,973,054	32,865,655
	<b>284,203,181</b>	<b>282,086,962</b>
Commitments (note 13)		
Impact of COVID-19 (note 22)		
	<b>\$ 703,202,176</b>	<b>\$ 678,805,678</b>

See accompanying notes to the financial statements

APPROVED BY THE BOARD OF GOVERNORS

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
President and Vice Chancellor

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Statement of Revenues and Expenditures

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
<b>Revenue:</b>		
Grants and reimbursements	\$ 93,164,806	\$ 94,503,993
Student tuition	188,513,990	214,534,535
Student ancillary fees	27,665,387	38,906,184
Ancillary operations	3,745,926	16,205,413
Amortization of deferred contributions related to:		
Capital assets	8,527,125	8,443,695
Expenses of future periods - other	8,094,216	17,455,129
Expenses of future periods - endowment fund	3,244,533	2,221,439
Other (note 18)	15,020,617	17,969,086
Gain (loss) on disposal of capital assets	2,895,624	(7,799)
	350,872,224	410,231,675
<b>Expenditures:</b>		
Salaries and benefits	234,220,932	240,877,039
Supplies and services (note 19)	78,454,310	95,606,752
Amortization of capital assets	23,839,452	24,547,098
Vacation pay	714,961	945,816
Employee future benefits (recovery) (note 14)	15,000	(30,000)
Sick leave benefits (recovery) (note 14)	280,000	(112,000)
Other expenses related to deferred contributions - schedule 1:		
Awards and bursaries	7,259,627	7,359,921
Other	4,079,122	12,316,647
	348,863,404	381,511,273
<b>Excess of revenue over expenditures</b>	<b>\$ 2,008,820</b>	<b>\$ 28,720,402</b>

See accompanying notes to the financial statements

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative figures for 2020

	<b>2021</b>				
	Invested in capital assets	Restricted for endowments	Unrestricted including research	Internally restricted	Total
Net assets, beginning of the year	\$ 107,166,150	\$ 32,865,655	\$ 15,425,370	\$126,629,787	\$ 282,086,962
Excess (deficiency) of revenue over expenditures (note 12)	(13,475,132)	-	15,483,952	-	2,008,820
Endowment fund contributions	-	107,399	-	-	107,399
Investment in capital assets (note 12)	2,100,573	-	(2,100,573)	-	-
Repayment of long-term debt (note 12)	2,839,052	-	(2,839,052)	-	-
Internal restrictions	-	-	(25,837,132)	25,837,132	-
Utilized internal restrictions	-	-	14,282,846	(14,282,846)	-
<b>Net assets, end of year</b>	<b>\$ 98,630,643</b>	<b>\$ 32,973,054</b>	<b>\$ 14,415,411</b>	<b>\$138,184,073</b>	<b>\$ 284,203,181</b>

	<b>2020</b>				
	Invested in capital assets	Restricted for endowments	Unrestricted including research	Internally restricted	Total
Net assets, beginning of the year	\$113,169,947	\$ 32,707,112	\$(13,641,935)	\$120,972,893	\$ 253,208,017
Excess (deficiency) of revenue over expenditures (note 12)	(16,111,202)	-	44,831,604	-	28,720,402
Endowment fund contributions	-	158,543	-	-	158,543
Investment in capital assets (note 12)	6,875,677	-	(6,875,677)	-	-
Repayment of long-term debt (note 12)	3,231,728	-	(3,231,728)	-	-
Internal restrictions	-	-	(34,216,128)	34,216,128	-
Utilized internal restrictions	-	-	28,559,234	(28,559,234)	-
Net assets, end of year	\$107,166,150	\$ 32,865,655	\$ 15,425,370	\$126,629,787	\$ 282,086,962

See accompanying notes to financial statements

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Statement of Cash Flows

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Excess of revenue over expenditures	\$ 2,008,820	\$ 28,720,402
Items not involving cash:		
Amortization of capital assets	23,839,452	24,547,098
Amortization of deferred contributions related to capital assets	(8,527,125)	(8,443,695)
Gain (loss) on disposal of capital assets	(2,895,624)	7,799
Employee future benefits (recovery)	15,000	(30,000)
Sick leave benefits (recovery)	280,000	(112,000)
Change in non-cash operating working capital items:		
Grants receivable	(556,301)	498,784
Accounts receivable	(1,050,427)	(439,310)
Prepaid expenses and deposits	(301,188)	(511,579)
Accounts payable and accrued liabilities	(75,035)	1,311,993
Accrued payroll and employee benefits	1,010,192	3,478,069
Deferred revenue	(6,441,658)	(1,180,660)
Note payable to Sheridan Student Union Incorporated	2,098,560	5,250,905
Net increase (decrease) in deferred contributions related to expenses of future periods	9,717,830	(9,057,982)
	<b>19,122,496</b>	<b>44,039,824</b>
<b>Financing activities:</b>		
Endowment fund contributions	107,399	158,543
HMC2A advance - OFA loan	23,575,000	-
HMC2A advance – OFA loan - interest	69,222	-
Repayment of long-term debt	(2,995,967)	(3,380,397)
	<b>20,755,654</b>	<b>(3,221,854)</b>
<b>Capital activities:</b>		
Purchase of capital assets and construction in progress	(17,235,104)	(24,618,429)
Proceeds on disposal of capital assets	2,897,540	13,749
Deferred contributions - capital assets	3,554,258	2,684,802
Deferred contributions - construction in progress	-	5,500,000
	<b>(10,783,306)</b>	<b>(16,419,878)</b>
<b>Investing activities:</b>		
Net increase in investments	(11,485,311)	(101,026,280)
Student levy receivable	156,912	148,669
	<b>(11,328,399)</b>	<b>(100,877,611)</b>
Net increase (decrease) in cash	17,766,445	(76,479,519)
Cash, beginning of year	104,578,578	181,058,097
<b>Cash, end of year</b>	<b>\$ 122,345,023</b>	<b>\$ 104,578,578</b>

See accompanying notes to the financial statements



# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

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### 1. Description of Organization:

The Sheridan College Institute of Technology and Advanced Learning (“Sheridan”), established in 1967, 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. By Ontario Regulation 33/03, which was filed and came into effect on February 11, 2003, the name of Sheridan was changed to The Sheridan College Institute of Technology and Advanced Learning. Sheridan is an agency of the Crown and provides postsecondary and vocationally oriented education and training in areas such as animation, arts and design, applied computing and engineering sciences, business, and community and liberal studies.

Sheridan operates on a not-for-profit basis and is a registered charity and, as such, is exempt from income taxes under the Income Tax Act.

### 2. Significant accounting policies:

#### (a) Basis of presentation:

These financial statements include the accounts, transactions and operations for which Sheridan has jurisdiction. They do not include the accounts, transactions and operations of Sheridan Student Union Incorporated (“SSUI”), The Sheridan College Foundation, and The U.S. Sheridan College Foundation Inc. which are independently governed.

These financial statements are the representation of management and have been prepared in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

#### (b) Revenue recognition:

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

Under the Ministry of Colleges and Universities (“Ministry”), Sheridan is funded by the Province of Ontario in accordance with budget arrangements established by the Ministry. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2021.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

---

### 2. Significant accounting policies (continued):

#### (b) Revenue recognition (continued):

Deferred revenue consists of student fees paid in advance and other revenue to be recognized when the related service is provided. Tuition fees are recognized as revenue when earned through the provision of service. Tuition fees are deferred to the extent that the related courses provided extend beyond the fiscal year of Sheridan.

Ancillary revenue including residence, parking and other sundry revenues are recognized when products are delivered or services are provided to the student or client, the sales price is fixed and determinable, and collection is reasonably assured.

#### (c) Cash and investments:

Cash and investments consist of cash on hand, bank balances and investments in money market, mutual funds and exchange traded funds. Short-term investments are highly liquid and have a maturity of one year or less. Investments are recorded at fair value on a trade date basis. Fair value is determined based on quoted market prices.

#### (d) Long-term notes receivable:

Long-term notes receivable are carried at amortized cost using the effective interest method.

#### (e) Capital assets:

Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. 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 Sheridan's ability to provide services, its carrying amount is written down to its residual value.

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

Buildings	2-1/2%
Parking lots, site and roadway	6-2/3%
Building renovations	Over the useful life
Furniture and fixtures	20%
Computer equipment	33-1/3%
Major equipment	10%
Equipment and vehicles	20%
Software implementation	14%

#### (f) Construction in progress:

Construction in progress includes interest and financing costs on funds borrowed for construction purposes. These costs are capitalized at the end of the construction period. Upon commencing use of the facility, capitalized construction costs are transferred to the various categories of capital assets and are amortized on a basis consistent with similar assets.

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2021

---

#### 2. Significant accounting policies (continued):

##### (g) Vacation pay:

Sheridan recognizes vacation pay as an expense as it is earned by employees.

##### (h) Sick leave benefit entitlements:

###### Vesting sick leave:

Sheridan has provided for vested sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum 6 months salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by independent actuaries on behalf of the College System as a whole.

###### Non-vesting sick leave:

Sheridan allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by independent actuaries on behalf of the College System as a whole.

##### (i) Employee future benefits:

Sheridan maintains separate defined benefit plans providing non-pension, retirement and post-employment benefits for substantially all full-time employees. Sheridan uses the deferral and amortization approach to account for its defined benefit plans. The costs of post retirement and post-employment benefits related to current service are charged to income annually. The current service cost and the accrued benefit obligation are actuarially determined for each plan using the projected benefit method prorated on service, and management's estimates of investment yields, salary escalation, health care trends and other factors. The most recent actuarial valuation of the benefit plans for funding purposes was as of February 5, 2020, and the next required valuation will be as of January 31, 2023.

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the post-retirement benefits plan is 11.3 years (2020 - 11.3 years).

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2021

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#### 2. Significant accounting policies (continued):

(j) Internally restricted net assets:

Net assets, internally restricted by Sheridan, are for capital projects, strategic initiatives and future operating expenses approved by the Board of Governors.

(k) Expendable funds, including bursaries/scholarships and student building fund:

These funds are contributed or pledged for specific purposes; the total funds received, including income earned, are expendable for the specific purpose outlined when the funds were donated.

(l) Endowment funds:

These funds are contributed for specific purposes; the principal sum must be held for investment while the income earned is expendable for the specific purpose(s) outlined when the funds were donated.

(m) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at fair value or amortized cost. Mutual funds and money market funds that would otherwise be recorded at amortized cost are recorded at fair value as they are managed and evaluated on a fair value basis. Other investments are recorded at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline in derivatives and non-endowment investments is determined to be other than temporary, the amount of the loss is reported in the statement of revenue and expenditures and any unrealized gain or loss is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of revenue and expenditures.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 2. Significant accounting policies (continued):

(n) Use of estimates:

The preparation of financial statements in conformity with public sector accounting standards 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 revenue and expenditures during the period. In estimating the net realizable value of accounts receivable and in estimating accrued liabilities and obligations related to employee future benefits and sick leave benefits, Sheridan 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.

### 3. Cash and investments:

(a) Cash and investments include the following amounts:

	2021		2020	
Cash	\$	122,345,023	\$	104,578,578
Short-term investments at fair value		124,121,793		-
Endowment fund investments at fair value		65,683,905		55,440,387
Long-term investments at fair value		40,917,260		163,797,260
Long-term investments at cost		688,351		688,351
Total cash and investments	\$	353,756,332	\$	324,504,576

All cash is measured at fair value as Level 1 and investments are measured at fair value as follows:

	Investments at fair value as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 124,121,793	\$ -	\$ 124,121,793
Endowment fund investments	65,683,905	-	-	65,683,905
Long-term investments	-	40,917,260	-	40,917,260
Total investments	\$ 65,683,905	\$ 165,039,053	\$ -	\$ 230,722,958

	Investments at fair value as of March 31, 2020			
	Level 1	Level 2	Level 3	Total
Endowment fund investments	\$ 54,497,900	\$ 942,487	\$ -	\$ 55,440,387
Long-term investments	-	163,797,260	-	163,797,260
Total investments	\$ 54,497,900	\$ 164,739,747	\$ -	\$ 219,237,647

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 3. Cash and investments (continued):

Sheridan's cash and investments include amounts restricted for specific purposes that are not available to be spent at Sheridan's discretion.

	2021	2020
Restricted funds, measured at fair value	\$ 15,450,927	\$ 14,484,147
Restricted for endowment purposes, measured at fair value (note 3(b))	65,804,785	56,946,336
Unrestricted investments at cost	81,255,712	71,430,483
Unrestricted cash and investments, measured at fair value	688,351	688,351
	271,812,270	252,385,742
	\$ 353,756,332	\$ 324,504,576

Short-term investments are Guaranteed Investment Certificates with a principal value of \$42,521,793 paying interest at a rate of 3.00% maturing February 2022, \$40,000,000 paying interest at a rate of 2.85% maturing March 2022, and \$41,600,000 paying interest at 2.85% maturing March 2022. Long-term investments are Guaranteed Investment Certificates with a principal value of \$40,917,260 paying interest at a rate of 2.70% maturing April 2022.

At March 31, 2020, long-term investments included Guaranteed Investment Certificates with a principal value of \$41,280,000 paying interest at a rate of 3.00% maturing February 2022, \$40,000,000 paying interest at a rate of 2.85% maturing March 2022, \$41,600,000 paying interest at 2.85% maturing March 2022, and \$40,917,260 paying interest at a rate of 2.70% maturing April 2022.

Included in unrestricted investments at cost are three investments in "Come from Away" productions. The College has invested \$234,813 (2020 - \$234,813) in the North American production, \$250,413 (2020 - \$250,413) in the United Kingdom production and \$203,125 (2020 - \$203,125) in the Australian production. As of March 2021, the College received life to date distributions of \$367,455 from the North American production, \$191,100 from the United Kingdom production and \$35,176 from the Australian production.

The maximum exposure to credit risk of cash and investments is the carrying value noted above.

#### (b) Restricted for endowment purposes:

Funds restricted for endowment purposes consist of exchange traded funds, cash on hand, bank balances and short-term highly liquid investments.

	2021	2020
Net assets restricted for endowments (note 16)	\$ 32,973,054	\$ 32,865,655
Cumulative realized investment income on endowment funds in excess of disbursements	29,058,261	19,974,581
Cumulative unrealized gains on endowment fund investments	3,773,470	4,106,100
Total endowment funds, measured at fair value	65,804,785	56,946,336
Cumulative capital contribution (book value)	32,973,054	32,865,655
Funds available for use	\$ 32,831,731	\$ 24,080,681

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

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### 3. Cash and investments (continued):

(c) Investment income and realized investment gains from the cash and investment portfolio related to endowment funds are \$12,328,213 for the year ended March 31, 2021 (2020 - \$3,641,349). Unrealized losses on endowment fund investments are \$332,631 for the year ended March 31, 2021 (2020 - \$4,933,224). These amounts are reported in Schedule 1.

### 4. Accounts receivable:

Accounts receivable is comprised of the following amounts:

	2021	2020
Student accounts receivable	\$ 8,471,564	\$ 2,556,730
Investment interest receivable	4,673,990	2,630,839
Other accounts receivable	2,822,048	5,408,431
Corporate receivable	1,778,511	3,397,009
Taxes receivable	1,008,755	1,049,462
Current portion of student levy receivable (note 5)	165,612	156,912
	18,720,480	15,199,383
Less allowance for doubtful accounts	4,296,812	1,534,842
Total	\$ 14,723,668	\$ 13,664,541

### 5. Student levy receivable:

In September 2005, a new gymnasium was constructed at the Davis Campus. Payment for the gymnasium will be provided by future student levies as approved by the Sheridan Student Union Incorporated ("SSUI"). The principal amount due within one year has been grouped with accounts receivable in the statement of financial position. The principal amount included in accounts receivable at March 31, 2021 is \$165,612 (2020 - \$156,912).

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Notes to the Financial Statements

Year ended March 31, 2021

**6. Capital assets and construction in progress**

(a) Capital assets:

2021	Cost	Accumulated amortization	Net carrying value
Land	\$ 1,834,889	\$ -	\$ 1,834,889
Buildings	364,753,403	130,528,232	234,225,171
Parking lots and roadway	2,988,016	2,575,457	412,559
Building renovations	39,824,268	24,373,642	15,450,626
Leasehold improvements	222,804	28,273	194,531
Furniture and fixtures	25,058,470	23,769,778	1,288,692
Computer equipment	22,498,253	19,077,628	3,420,625
Major equipment	58,367,209	28,472,224	29,894,985
Equipment and vehicles	45,909,612	41,035,777	4,873,835
Software implementation	4,072,250	4,072,250	-
Site	821,366	73,149	748,217
	<b>\$ 566,350,540</b>	<b>\$ 274,006,410</b>	<b>\$ 292,344,130</b>

2020	Cost	Accumulated amortization	Net carrying value
Land	\$ 2,893,317	\$ -	\$ 2,893,317
Buildings	364,765,890	121,813,660	242,952,230
Parking lots and roadway	2,988,016	2,376,256	611,760
Building renovations	33,789,033	22,812,568	10,976,465
Leasehold improvements	155,688	17,889	137,799
Furniture and fixtures	25,073,435	22,650,159	2,423,276
Computer equipment	22,409,705	14,858,116	7,551,589
Major equipment	57,114,678	23,631,846	33,482,832
Equipment and vehicles	45,116,704	38,247,874	6,868,830
Software implementation	4,072,250	4,072,250	-
Site	821,366	27,908	793,458
	<b>\$ 559,200,082</b>	<b>\$ 250,508,526</b>	<b>\$ 308,691,556</b>

During the year, Sheridan acquired capital assets at an aggregated cost of \$8,552,371 (2020 - \$9,574,228).



# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 6. Capital assets and construction in progress (continued):

#### (b) Construction in progress:

	2021	2020
Construction in progress	\$ 34,295,427	\$ 24,554,264

Construction in progress represents costs incurred to date on the construction of the Hazel McCallion Campus Phase 2A project. Once construction has been completed on the facility, the total cost will be reclassified to capital assets and amortization will commence. During the year, Sheridan incurred costs of \$9,741,163 (2020 - \$15,044,201) capitalized as construction in progress.

### 7. HMC2A advance – OFA loan

On May 8, 2020, Sheridan finalized an amended loan agreement with the Ontario Financing Authority for the Hazel McCallion Campus Phase 2A project. This agreement provides up to \$37 million in debt financing that will be repaid semi-annually over 25 years after substantial completion of the project. The interest rate will be calculated as the Province of Ontario's cost of funds for a 25-year amortizing bond plus 0.275%. The agreement also provides bridge financing during the construction period at an interest rate equal to the 90 day Ontario Treasury Bill Rate plus 0.275%. During the year, Sheridan has drawn \$23,575,000 from the bridge financing and interest on the bridge financing amounted to \$69,222.

### 8. Deferred revenue:

	2021	2020
Student fees and tuition – pre-payments	\$ 28,876,430	\$ 39,820,391
Winter term deferral	19,907,897	17,736,753
Ministry funding	4,556,550	3,657,136
Special projects	5,431,202	3,092,684
Residence	711,874	1,618,647
Hazel McCallion Campus Phase 2 project	5,309,735	5,309,735
	\$ 64,793,688	\$ 71,235,346

In December 2019, funds in the amount of \$6,000,000 (\$5,309,735 net of HST) were received as part of a settlement from a bond company related to the Hazel McCallion Campus Phase 2 project. Remediation efforts continue to address the deficiencies that have been identified, and these funds will offset future capital costs.

### 9. Note payable to Sheridan Student Union Incorporated:

Note payable to Sheridan Student Union Incorporated is unsecured, due on demand and bears interest at the overnight rate (variable) earned by Sheridan on daily cash balances.

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 10. Long-term debt:

	2021	2020
Gymnasium, Residences and Davis A wing:		
Sun Life loan facility (Davis Residence) with interest at 6.80% and total principal of \$15,250,000. Repayable \$105,846 monthly including interest commencing February 2002 to January 2027	\$ 6,030,848	\$ 6,860,044
Sun Life loan facility (Trafalgar Residence) with interest at 6.41% and total principal of \$13,610,000. Repayable \$565,938 semi-annually including interest commencing September 1999 to September 2024	3,498,873	4,364,632
Canada Life loan facility (Davis Gymnasium) with interest at 5.47% and total principal of \$3,024,000. Repayable \$120,000 semi-annually including interest commencing December 2006 to December 2027	1,400,759	1,557,671
Ontario Financing Authority loan facility (Davis A wing) with interest at 3.467% and total principal of \$40,180,436. Repayable \$1,208,093 semi-annually including interest commencing October 2017 to March 2042	35,830,811	36,974,909
	46,761,291	49,757,256
Less principal amounts due within one year	3,159,235	2,995,966
	\$ 43,602,056	\$ 46,761,290

The long-term debt related to the residences and the gymnasium totaling \$10,930,480 (2020 - \$12,782,347) will be repaid from future student levies and residence fees.

Interest on long-term debt amounted to \$1,974,379 (2020 - \$2,124,214) and has been included in supplies and services in the statement of revenue and expenditures.

The anticipated future annual principal payments under the loan facilities on a fiscal year basis are as follows:

2022	\$ 3,159,235
2023	3,332,140
2024	2,875,649
2025	3,783,001
2026	2,728,008
Thereafter	30,883,258
Total minimum payments	\$ 46,761,291

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 11. Deferred contributions:

#### (a) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of revenue and expenditures.

	2021	2020
Balance, beginning of year	\$ 153,325,821	\$ 159,084,714
Transfer from deferred contributions for expenses of future periods	620,204	221,870
Amounts amortized to revenue	(8,527,125)	(8,443,695)
Contributions received or receivable	2,934,054	2,462,932
Balance, end of year	\$ 148,352,954	\$ 153,325,821

#### (b) Construction in progress:

Deferred capital contribution related to construction in progress represents the Sheridan Student Union's initial down payment of \$5,500,000 for the Hazel McCallion Campus Phase 2A project. The balance of the Sheridan Student Union's contribution to the project will be received in annual payments over 25 years once the project has reached substantial completion.

	2021	2020
Balance, beginning of year	\$ 5,500,000	\$ -
Contributions received or receivable	-	5,500,000
Balance, end of year	\$ 5,500,000	\$ 5,500,000

#### (c) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent restricted grants and donations for bursary and other specific purposes, unrealized gains on investments in the endowment fund and realized investment income on endowment funds in excess of disbursements.

	2021	2020
Balance, beginning of year	\$ 38,564,828	\$ 47,622,810
Unrealized loss on endowment fund investments	(332,631)	(4,933,224)
Realized investment income on endowment funds	12,328,213	3,641,349
Amounts recognized to revenue for endowment disbursements	(3,244,533)	(2,221,439)
Amounts recognized to revenue	(8,094,216)	(17,455,129)
Transfer to deferred contributions for capital assets	(620,204)	(221,870)
Amounts received related to future periods	9,681,201	12,132,331
Balance, end of year	\$ 48,282,658	\$ 38,564,828

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Notes to the Financial Statements

Year ended March 31, 2021

**12. Invested in capital assets:**

Change in net assets invested in capital assets is calculated as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 107,166,150	\$ 113,169,947
Excess of revenue over expenditures:		
Amortization of deferred capital contributions	8,527,125	8,443,695
Amortization of capital assets	(23,839,452)	(24,547,098)
Adjustments related to sale of land	(1,058,429)	-
Gain (loss) on disposal of capital assets	2,895,624	(7,799)
	<u>(13,475,132)</u>	<u>(16,111,202)</u>
Net change in invested in capital assets:		
Purchase of capital assets and transfer from construction in progress	8,552,371	9,574,228
Amounts financed by:		
Proceeds on disposal of capital assets	(2,897,540)	(13,749)
Deferred contributions	(3,554,258)	(2,684,802)
	<u>2,100,573</u>	<u>6,875,677</u>
Long-term debt repayment:		
Residences	1,694,954	1,587,655
Davis A Wing	1,144,098	1,644,073
	<u>2,839,052</u>	<u>3,231,728</u>
Balance, end of year	<u>\$ 98,630,643</u>	<u>\$ 107,166,150</u>

**13. Commitments:**

(a) Leases:

Sheridan's commitments to annual rental payments in the aggregate and in each of the next five years principally as a result of operating equipment leases and premise rental leases are as follows:

<b>2022</b>	<b>\$ 3,723,950</b>
<b>2023</b>	<b>3,309,610</b>
<b>2024</b>	<b>3,392,215</b>
<b>2025</b>	<b>3,477,086</b>
<b>2026</b>	<b>3,564,293</b>
	<u><b>\$ 17,467,154</b></u>

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 13. Commitments (continued):

(b) Letters of credit:

Sheridan has posted letters of credit totaling \$1,086,245 (2020 - \$1,086,245) as security deposits with municipal governments in Halton and Peel regions relating to new building constructions at the Davis, Trafalgar and Hazel McCallion campuses.

### 14. Employee future benefits and sick leave entitlements:

Sheridan maintains defined benefit plans providing other retirement and future employee benefits to most of its employees.

The cost of other post-employment benefits (including medical benefits, dental care, and life insurance premiums waived during long-term disability ("LTD") related to the employees' current service is charged to income annually. The cost is computed on an actuarial basis using the projected benefit method estimating the usage frequency and cost of services covered and management's best estimates of investment yields, salary escalation, and other factors. Plan assets are valued at fair value for purposes of calculating the expected return on plan assets.

The fair value of plan assets and accrued benefit obligations were determined by independent actuaries on behalf of the College System as a whole as at February 5, 2020 for employee post-employment benefits, February 11, 2020 for non-vesting sick leave and August 31, 2019 for vesting sick leave.

The following tables outline the components of Sheridan's post-employment benefits and the related expense:

	2021	2020
Accrued benefit obligations	\$ 1,971,000	\$ 1,912,000
Fair value of plan assets	(470,000)	(439,000)
Funded status-plan deficit	1,501,000	1,473,000
Unamortized actuarial loss	5,000	18,000
Employee future benefits accrual	\$ 1,506,000	\$ 1,491,000

	2021	2020
Current service expense (recovery)	\$ 37,000	\$ (10,000)
Interest on accrued benefit obligation	2,000	3,000
Amortization of actuarial gain	(15,000)	(12,000)
Benefit payments	(9,000)	(11,000)
Total employee future benefits expense (recovery)	\$ 15,000	\$ (30,000)

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Notes to the Financial Statements

Year ended March 31, 2021

**14. Employee future benefits and sick leave entitlements (continued):**

The following tables outline the components of Sheridan’s sick leave benefit entitlements:

	2021	2020
Vesting sick leave:		
Accrued benefit obligation	\$ 81,000	\$ 99,000
Unamortized actuarial loss	101,000	106,000
Sick leave benefit entitlements	182,000	205,000
Non-vesting sick leave:		
Accrued benefit obligation	9,459,000	9,799,000
Unamortized actuarial gain	(4,010,000)	(4,653,000)
Non-vesting sick leave benefit entitlements	5,449,000	5,146,000
Total sick leave benefit entitlements	\$ 5,631,000	\$ 5,351,000

	2021	2020
Vesting sick leave:		
Current service cost	\$ 3,000	\$ 12,000
Interest on accrued benefit obligation	2,000	6,000
Amortization of actuarial gain	(5,000)	(18,000)
Benefit payments	(23,000)	(64,000)
	(23,000)	(64,000)
Non-vesting sick leave:		
Current service cost	998,000	385,000
Interest on accrued benefit obligation	156,000	144,000
Amortization of actuarial loss (gain)	219,000	(5,000)
Benefit payments	(1,070,000)	(572,000)
	303,000	(48,000)
Total sick leave benefits expense (recovery)	\$ 280,000	\$ (112,000)

The unamortized actuarial loss is amortized over the expected average remaining service life as listed below:

Sick leave benefit entitlements	10.1 years
Post-employment benefits	11.3 years

These amounts represent the results of the actuarial valuation completed effective February 5, 2020 for employee post-employment benefits, February 11, 2020 for non-vesting sick leave, August 31, 2019 for vesting sick leave and extrapolated to March 31, 2021.

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 14. Employee future benefits and sick leave entitlements (continued):

The main actuarial assumptions employed for the valuations are as follows:

Assumptions	2021	2020
Discount rate	1.7% per annum	1.6 % per annum
Medical cost increase		
Hospital:	6.42% per annum in 2021, grading down to 4% by 2040	4% per annum
Drugs:	6.42% per annum in 2021, grading down to 4% by 2040	8% per annum in 2018, grading down to 4% by 2040
Other Medical:	6.42% per annum in 2021, grading down to 4% by 2040	4% per annum
Vision/Hearing Care:	6.42% per annum in 2021, grading down to 4% by 2040	4% per annum
Dental costs increase	4% per annum	4% per annum
Expected return on plan assets	0.85%	2.2%

### 15. Pension plans:

Qualifying employees of Sheridan 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. Sheridan 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 and may affect future contribution rates. Sheridan does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify Sheridan's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2021 indicated an actuarial surplus of \$3.3 billion. For the year ending March 31, 2021, Sheridan made contributions to the Plan and its associated retirement compensation arrangement of \$18,994,703 (2020 - \$18,629,080) which has been recorded in salaries and benefits in the statement of revenue and expenditures.

### 16. Ontario Student Opportunity Trust Fund and other endowments:

Endowments represent restricted donations received by Sheridan where the principal is required to be maintained. The investment income generated from the endowments must be used in accordance with the various purposes specified by the donors. Sheridan ensures that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on endowments that was disbursed during the year has been recorded in the statement of revenue and expenditures once the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions for expenses of future periods. Total investment income on endowed assets recognized during the year is \$3,244,533 (2020 - \$2,221,439). Total investment income deferred during the year in excess of disbursement is \$8,751,049. For the year ending March 31, 2020, total investment income recognized as revenue by reducing deferred contributions of endowment expenses of future periods is \$3,513,314.

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Notes to the Financial Statements

Year ended March 31, 2021

**16. Ontario Student Opportunity Trust Fund and other endowments (continued):**

The Ministry requires Sheridan to include in its financial statements the following disclosures for its Ontario Student Opportunity Trust Funds (“OSOTF I” and “OSOTF II”), and Ontario Trust for Student Support (“OTSS”):

**OSOTF I**

Schedule of changes in endowed funds related to OSOTF I within the Endowment Fund balance for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Fund balance, beginning of year	\$ 25,258,708	\$ 25,258,708
Cash donations received	-	-
Preservation of capital	-	-
Fund balance, end of year	\$ 25,258,708	\$ 25,258,708

Schedule of changes in expendable funds related to OSOTF I available for awards for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Balance, beginning of year	\$ 17,300,428	\$ 16,126,134
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	10,673,946	2,437,658
Bursaries awarded (2021 – 3,209; 2020 - 1,136)	(2,651,182)	(1,263,364)
Balance, end of year	\$ 25,323,192	\$ 17,300,428
Endowment total based on book value	\$ 50,581,900	\$ 42,559,136

The market value of the endowment as at March 31, 2021 is \$53,676,145 (2020 - \$46,575,444).

**OSOTF II**

Schedule of changes in endowed funds related to OSOTF II within the Endowment Fund balance for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Fund balance, beginning of year	\$ 640,174	\$ 640,174
Cash donations received	-	-
Preservation of capital	-	-
Fund balance, end of year	\$ 640,174	\$ 640,174



**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**

Notes to the Financial Statements

Year ended March 31, 2021

**16. Ontario Student Opportunity Trust Fund and other endowments (continued):**

Schedule of changes in expendable funds related to OSOTF II available for awards for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Balance, beginning of year	\$ 283,425	\$ 256,674
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	239,013	63,837
Bursaries awarded (2021 - 37; 2020 - 36)	(40,662)	(37,086)
Balance, end of year	\$ 481,776	\$ 283,425
Endowment total based on book value	\$ 1,121,950	\$ 923,599

The market value of the endowment as at March 31, 2021 is \$1,189,495 (2020 - \$1,018,558).

**OTSS**

Schedule of changes in endowed funds related to OTSS within the Endowment Fund balance for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Fund balance, beginning of year	\$ 4,365,709	\$ 4,364,199
Cash donations received	-	1,510
Matching funds from the Ministry	-	-
Preservation of capital	-	-
Fund balance, end of year	\$ 4,365,709	\$ 4,365,709

Schedule of changes in expendable funds related to OTSS available for awards for the year ended March 31, 2021 (schedule based on book value):

	2021	2020
Balance, beginning of year	\$ 1,871,172	\$ 1,722,433
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	953,046	376,756
Bursaries awarded (2021 - 106; 2020 - 103)	(250,818)	(228,017)
Balance, end of year	\$ 2,573,400	\$ 1,871,172
Endowment total based on book value	\$ 6,939,109	\$ 6,236,881

The market value of the endowment as at March 31, 2021 is \$7,357,586 (2020 - \$6,294,352).

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 16. Ontario Student Opportunity Trust Fund and other endowments (continued):

Total endowment fund balance is comprised of:

	2021	2020
Endowed fund related to OSOTF I, OSOTF II and OTSS within endowment fund	\$ 30,264,591	\$ 30,264,591
Other endowed funds	2,708,463	2,601,064
Endowment fund balance, end of year	32,973,054	32,865,655
Expendable funds available for OSOTF I, OSOTF II and OTSS awards	28,378,368	19,455,025
Expendable funds available for other endowed funds	679,893	519,556
Expendable funds within deferred contribution - expenses of future periods based on book value	\$ 29,058,261	\$ 19,974,581

The market value of other endowed funds as at March 31, 2021 is \$3,581,559 (2020 - \$3,057,982).

The market value of total endowment fund as at March 31, 2021 is \$65,804,785 (2020 - \$56,946,336).

### 17. Internally restricted net assets:

Internally restricted net assets are for:

	2021	2020
Capital projects	\$ 117,757,496	\$ 102,630,959
Strategic initiatives	14,402,339	20,252,260
Operating expenses for the following year	6,024,238	3,746,568
Total	\$ 138,184,073	\$ 126,629,787

### 18. Other revenue:

Other revenue in the statement of revenue and expenditures is comprised of:

	2021	2020
Research grants	\$ 5,691,430	\$ 5,359,097
Investment income	5,411,064	6,890,816
Miscellaneous revenue	3,918,123	5,719,173
Total	\$ 15,020,617	\$ 17,969,086

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2021

### 19. Supplies and services expenditures:

Supplies and services expenditures in the statement of revenue and expenditures is comprised of:

	2021	2020
Services	\$ 36,011,112	\$ 43,139,278
Supplies and minor equipment	15,942,150	22,772,606
Plant and property	21,542,054	27,223,472
Other	4,958,994	2,471,396
Total	\$ 78,454,310	\$ 95,606,752

### 20. Financial risks and concentration of credit risk:

#### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Sheridan is exposed to credit risk with respect to the accounts receivable, grants receivable, student levy receivable, other notes receivable, cash and investments.

Sheridan assesses, on a continuous basis, all receivable balances and provides for any amounts that are not collectible in the allowance for doubtful accounts. Accounts receivable and student levy receivable are due from students. Credit risk is mitigated by financial approval processes before a student is enrolled. Sheridan measures its exposure to credit risk based on how long the amounts have been outstanding. The maximum exposure to credit risk of Sheridan at March 31, 2021 is the carrying value of these assets.

The carrying amount of all receivable balances is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of revenue and expenditures. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of revenue and expenditures. The balance of the allowance for doubtful accounts at March 31, 2021 is \$4,296,812 (2020 - \$1,534,842).

As at March 31, 2021, \$4,659,214 (2020 - \$2,528,635) of accounts receivable were past due, but not impaired.

Sheridan holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation and provincially regulated credit unions who are insured by the Deposit Insurance Corporation of Ontario. In the event of default, Sheridan's cash accounts are insured up to \$100,000 (2020 - \$100,000) for federally regulated chartered banks and up to \$250,000 (2020 - \$250,000) for provincially regulated credit unions.

The maximum exposure to investment credit risk is outlined in Note 3.

There have been no significant changes to the credit risk exposure from 2020.

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2021

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#### 20. Financial risks and concentration of credit risk (continued):

##### (b) Liquidity risk:

Liquidity risk is the risk that Sheridan will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Sheridan manages its liquidity risk by monitoring its operating requirements. Sheridan prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice. The contractual maturities of long-term debt are disclosed in Note 10.

There have been no significant changes to the liquidity risk exposure from 2020.

##### (c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect Sheridan's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

##### (i) Foreign exchange risk:

Sheridan is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, Sheridan makes purchases denominated in U.S. dollars. Sheridan does not currently enter into forward contracts to mitigate this risk. Sheridan does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end.

There have been no significant changes to the foreign exchange risk exposure from 2020.

##### (ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose Sheridan to cash flow interest rate risk. Sheridan is exposed to this risk through its interest-bearing investments and long-term debt.

Sheridan's long-term debt is fixed rate debt as disclosed in Note 10. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

As at March 31, 2021, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the estimated impact on the market value of investments would approximate \$2,308,438 (2020 - \$2,206,202).

Sheridan's investments are disclosed in Note 3.

There has been no change to the interest rate risk exposure from 2020.

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2021

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#### 21. Comparative figures:

Certain comparative figures have been reclassified to conform with the current year's presentation. The reclassifications had no impact on excess of revenue over expenditures.

#### 22. Impact of COVID-19:

The COVID-19 pandemic has developed rapidly during the fiscal year. The resulting impact of the virus on operations and measures taken by various governments to maintain the virus have effected the College's results in this reporting period. The current known impacts of COVID-19 on the College are:

- A significant portion of the College's tuition revenue is derived from international students. As the Canadian border has remained closed throughout fiscal 2021, the impact on the tuition derived from international students has decreased. Revenue from international students at March 31, 2021 is \$121,257,016 (2020 - \$143,358,069).
- The government of Ontario regularly issued stay at home orders and closure of non-essential businesses. Therefore, the College has continued a hybrid curriculum throughout the year. As such there has been a decrease in ancillary income. Ancillary income for the year ended March 31, 2021 is \$3,745,926 (2020 - \$16,205,413). Also, to maintain operations of the College in a remote environment there has been COVID-19 specific spending in the amount of \$2,829,968.
- Due to the impact of COVID-19 on post-secondary institutions there has been COVID-19 specific funding made available to the College in the amount of \$386,746, of which \$224,949 has been recognized this year.
- Due to the impact of COVID-19 interest rates have decreased. For the year ended March 31, 2021 interest earned is \$944,640 (2020 - \$4,432,782).
- As the impacts of COVID-19 continue, the effect on the College's investment in the "Come From Away" production, is still unknown. As at March 31, 2021 the Australian production has re-opened, the New York and London productions are set to re-launch in the summer months.

At this time Management does not believe COVID-19 will have a significant negative impact on the financial condition of the College. As such, unrestricted operating net assets have been maintained at \$35,000,000 (2020 - \$35,000,000).

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Schedule 1 – Endowment and Deferred Contributions for Expenses of Future Periods**  
Year ended March 31, 2021, with comparative figures for 2020

						2021
	Endowment fund (note 3b)	Endowment fund investment income and disbursements	Bursaries and scholarships	Other	Student Centre	Total
Balance, beginning of year	\$ 32,865,655	\$ 24,080,681	\$2,624,963	\$6,701,362	\$5,157,822	\$ 71,430,483
Receipts:						
Donations	107,399	-	1,178,228	1,187,723	1,390,996	3,864,346
Gain and interest on investments (note 3c)	-	12,328,213	302	11,961	45,787	12,386,262
Unrealized loss (note 3c)	-	(332,631)	-	-	-	(332,631)
Tuition reinvestment fund contributions	-	-	5,866,205	-	-	5,866,205
	<u>107,399</u>	<u>11,995,582</u>	<u>7,044,734</u>	<u>1,199,685</u>	<u>1,436,782</u>	<u>21,784,182</u>
	32,973,054	36,076,263	9,669,697	7,901,047	6,594,604	93,214,665
Disbursements						
Awards	-	2,998,137	4,133,523	127,966	--	7,259,627
Other	-	250,396	1,876,392	1,235,727	716,607	4,079,122
Transfer between funds	-	(4,000)	(58,222)	62,222	-	-
Transfer to deferred capital contributions	-	-	-	620,204	-	620,204
	<u>-</u>	<u>3,244,533</u>	<u>5,951,693</u>	<u>2,046,120</u>	<u>716,607</u>	<u>11,958,953</u>
Balance, end of year	<u>\$ 32,973,054</u>	<u>\$ 32,831,730</u>	<u>\$3,718,004</u>	<u>\$5,854,927</u>	<u>\$5,877,997</u>	<u>\$ 81,255,712</u>
						2020
Balance, beginning of year	\$ 32,707,112	\$ 27,593,995	\$ 3,590,029	\$ 5,171,968	\$ 11,266,818	\$ 80,329,922
Receipts:						
Donations	158,543	-	1,623,914	2,191,341	2,038,469	6,012,267
Gain and interest on investments (note 3c)	-	3,641,349	879	28,907	219,805	3,890,940
Unrealized loss (note 3c)	-	(4,933,224)	-	-	-	(4,933,224)
Tuition reinvestment fund contributions	-	-	6,029,016	-	-	6,029,016
	<u>158,543</u>	<u>(1,291,875)</u>	<u>7,653,809</u>	<u>2,220,248</u>	<u>2,258,274</u>	<u>10,998,999</u>
	32,865,655	26,302,120	11,243,838	7,392,216	13,525,092	91,328,921
Disbursements						
Awards	-	1,577,634	5,762,235	20,052	-	7,359,921
Other	-	643,805	2,804,438	501,134	8,367,270	12,316,647
Transfer between funds	-	-	52,202	(52,202)	-	-
Transfer to deferred capital contributions	-	-	-	221,870	-	221,870
	<u>-</u>	<u>2,221,439</u>	<u>8,618,875</u>	<u>690,854</u>	<u>8,367,270</u>	<u>19,898,438</u>
Balance, end of year	<u>\$ 32,865,655</u>	<u>\$ 24,080,681</u>	<u>\$ 2,624,963</u>	<u>\$ 6,701,362</u>	<u>\$ 5,157,822</u>	<u>\$ 71,430,483</u>

**APPENDIX C – Statement of Internally Restricted Reserves**

## Statement of Internally Restricted Reserves

March 31, 2021

	Opening Balance, April 1, 2020	2020/21 Spending	2020/21 Year End Re- allocation	2020/21 Surplus Allocation	Opening Balance, April 1, 2021
<b>UNRESTRICTED RESERVES</b>	<b>35,000,000</b>	-	-	-	<b>35,000,000</b>
<b>RESTRICTED RESERVES</b>					
<b>Capital Projects:</b>					
HMC Scholars Green	3,290,814	(67,116)	-	-	3,223,698
Rollover projects - renovation	1,000,000	(35,294)	(964,706)	-	-
AODA	310,512	-	-	131,034	441,546
Infrastructure Funds:					
Academic Furniture & Equipment Renewal	5,000,000	-	-	-	5,000,000
Facilities Capital	79,983,853	(1,191,851)	964,706	13,733,824	93,490,532
Technology Capital	6,712,962	(525,417)	-	7,599,030	13,786,575
Ancillary Capital	6,332,818	(4,517,673)	-	-	1,815,145
	<b>102,630,959</b>	<b>(6,337,351)</b>	-	<b>21,463,888</b>	<b>117,757,496</b>
<b>Strategic Initiatives:</b>					
President's Strategic Priorities	5,246,593	(2,390,748)	-	-	2,855,845
Strategic Enrolment Management	1,982,406	(774,462)	-	-	1,207,944
Pandemic Emergency Bursaries	504,000	(504,000)	-	-	-
Campus Master Plan	1,469,120	(422,550)	-	-	1,046,570
Sustainability Initiatives	859,048	-	-	-	859,048
IT Systems	10,191,093	(2,758,160)	-	1,000,000	8,432,933
	<b>20,252,260</b>	<b>(6,345,920)</b>	-	<b>1,000,000</b>	<b>14,402,340</b>
<b>Operating Expenses:</b>					
Financial Aid	411,000	(411,000)	-	343,853	343,853
Research projects	190,000	(6,025)	-	-	183,975
Rollover projects - operating	1,000,001	(273,918)	-	2,109,422	2,835,505
Insurance Reserve	1,000,000	(320,000)	-	-	680,000
Come From Away Investment	1,145,567	(84,633)	-	39,419	1,100,353
Tuition Reimbursement Fund	-	-	-	880,550	880,550
	<b>3,746,568</b>	<b>(1,599,576)</b>	-	<b>3,373,244</b>	<b>6,024,236</b>
<b>TOTAL RESTRICTED RESERVES</b>	<b>126,629,787</b>	<b>(14,282,847)</b>	-	<b>25,837,132</b>	<b>138,184,073</b>



## Appendix C: Board of Governors

Name	Status	Term Expiry Date
Samy Abd El-Sayed	Support Staff Governor	1 <sup>st</sup> term ends August 31, 2022
Chuks Ezeokafor		1st term ends August 31, 2023
Bunmi Dosunmu		1 <sup>st</sup> term ends August 31, 2023
Mireille Dube	Student Governor	1 <sup>st</sup> Term ends August 31, 2021
Mary E. Hofstetter, C.M.		1st term ends August 31, 2021
John Fleming	Chair	2nd term ends August 31, 2022
Daniela Hampton-Davies	Vice Chair	1st term ends August 31, 2021
Tanya Leedale		2nd term ends August 31, 2021
Arlene McDonald		1 <sup>st</sup> term ends August 31, 2023
Kerry Mann		1 <sup>st</sup> term ends August 31, 2023
Peter Palermo	Faculty Governor	1st term ends August 31, 2021
Robert Poulton		1st term ends August 31, 2023
Joanne Rivard		2nd term ends August 31, 2021
Sunand Sharma	Administrative Governor	1st term ends August 31, 2024
Vanita Varma		1 <sup>st</sup> term ends August 31, 2023

## Appendix D: Summary of Advertising and Marketing Complaints

For the period of April 1, 2020 to March 31, 2021, no complaints were received regarding Sheridan's advertising and marketing activities.

Nature of complaint: N/A

Date Received: N/A

Action Taken: N/A

Date resolution communicated: N/A

Time taken to resolve N/A