

# Sheridan

Financial Statements and Supplementary Information of

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

Year ended March 31, 2022

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**TABLE OF CONTENTS**  
**Year ended March 31, 2022**

---

<b>Management's Responsibility For Financial Reporting</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4</b>
<b>Financial Statements:</b>	
Statement of Financial Position	<b>6</b>
Statement of Operations	<b>8</b>
Statement of Changes in Net Assets	<b>9</b>
Statement of Cash Flows	<b>10</b>
Notes to the Financial Statements	<b>11</b>
<b>Supplementary Schedule:</b>	
Schedule 1 - Endowment and Deferred Contributions for Expenses of Future Periods	<b>33</b>

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Sheridan College Institute of Technology and Advanced Learning (the "College") are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAS for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.


The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The College's insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance, Audit and Property Committee.

The Finance, Audit and Property Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by BDO Canada LLP, the external auditors in accordance with Canadian generally accepted auditing standards, on behalf of the Board. BDO Canada LLP has full and free access to the Audit and Finance Committee.

  
Janet Morrison (Jun 13, 2022 22:07 EDT)

Janet Morrison  
President



Wayne Steffler  
Chief Financial Officer

June 13, 2022

---

## Independent Auditor's 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 of statement of financial position as at March 31, 2022, and the statement of revenues and expenditures, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2022, and its results of its operations, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 matter

The financial statements of the College for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 16, 2021.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

---

## Independent Auditor's Report (continued)

---

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

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
June 14, 2022

# The Sheridan College Institute of Technology and Advanced Learning

## Statement of Financial Position

As at March 31, 2022

	2022	2021
<b>Assets</b>		
Current assets:		
Cash (note 3)	\$ 120,789,906	\$ 122,345,023
Short-term investments (note 3)	40,917,260	124,121,793
Grants receivable	2,517,676	1,769,217
Accounts receivable (note 4)	15,715,362	14,723,668
Prepaid expenses and deposits	4,741,457	5,078,098
	<u>184,681,661</u>	<u>268,037,799</u>
Endowment fund investments (note 3)	70,241,810	65,683,905
Long-term investments (note 3)	135,688,351	41,605,611
Student levy receivable (note 5)	11,323,357	1,235,304
Construction in progress (note 6)	105,196	34,295,427
Capital assets (note 6)	323,614,034	292,344,130
	<u><b>\$ 725,654,409</b></u>	<u><b>\$ 703,202,176</b></u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 42,247,916	\$ 36,437,720
Accrued payroll and employee benefits	23,073,430	21,563,482
HMC C-wing advance - OFA loan (note 7)	-	23,644,222
Current portion of long-term debt (note 10)	4,128,436	3,159,235
Deferred revenue (note 8)	75,491,467	64,793,688
Note payable to Sheridan Student Union Incorporated (note 9)	16,690,205	16,525,980
	<u>161,631,454</u>	<u>166,124,327</u>
Long-term debt (note 10)	72,082,495	43,602,056
Employee future benefits (note 14)	1,367,000	1,506,000
Sick leave benefit entitlements (note 14)	5,671,000	5,631,000
Deferred contributions (note 11):		
Construction in progress	-	5,500,000
Capital assets	163,505,211	148,352,954
Expenses of future periods	55,310,953	48,282,658
	<u><b>459,568,113</b></u>	<u><b>418,998,995</b></u>


*Continued on next page*


**The Sheridan College Institute of Technology and Advanced Learning**  
**Statement of Financial Position**  
As at March 31, 2022

	2022	2021
Net assets:		
Unrestricted:		
Operating	19,939,400	35,000,000
Vacation pay accrual	(12,901,400)	(13,447,589)
Employee future benefits accrual (note 14)	(1,367,000)	(1,506,000)
Sick-leave benefit accrual (note 14)	(5,671,000)	(5,631,000)
	-	14,415,411
Internally restricted (note 17)	137,416,153	138,184,073
Invested in capital assets (note 12)	95,586,358	98,630,643
Restricted for endowments (note 3)	33,083,785	32,973,054
	<b>266,086,296</b>	<b>284,203,181</b>
Commitments (note 13)		
	<b>\$ 725,654,409</b>	<b>\$ 703,202,176</b>

See accompanying notes to financial statements

APPROVED BY THE BOARD

  
Daniela Hampton-Davies (Jun 14, 2022 10:45 EDT)

  
Janet Morrison (Jun 13, 2022 22:07 EDT)

President and Vice Chancellor

# The Sheridan College Institute of Technology and Advanced Learning

## Statement of Operations

Year ended March 31, 2022

	2022	2021
<b>Revenue:</b>		
Grants and reimbursements	\$ 94,972,486	\$ 93,164,806
Amortization of deferred contributions related to:		
Capital assets	8,699,714	8,527,125
Expenses of future periods - other	8,795,648	8,094,216
Expenses of future periods - endowment fund	3,134,809	3,244,533
Student tuition	181,772,928	188,513,990
Ancillary operations	8,734,449	3,745,926
Student ancillary fees	30,399,315	27,665,387
Other (note 18)	16,523,184	15,020,617
Gain on disposal of capital assets	-	2,895,624
	353,032,533	350,872,224
<b>Expenditures:</b>		
Salaries and benefits	248,117,013	234,220,932
Supplies and services (note 19)	89,780,003	78,454,310
Amortization of capital assets	22,077,866	23,839,452
Vacation pay	(546,189)	714,961
Employee future benefits (recovery)	(139,000)	15,000
Sick leave recovery	40,000	280,000
Other expenses related to deferred contributions - schedule 1:		
Awards and bursaries	7,978,232	7,259,627
Other	3,952,225	4,079,122
	371,260,150	348,863,404
(Deficiency) excess of revenue over expenditures	\$ (18,227,617)	\$ 2,008,820

See accompanying notes to financial statements



# The Sheridan College Institute of Technology and Advanced Learning

## Statement of Changes in Net Assets

Year ended March 31, 2022

					2022
	Invested in capital assets	Restricted for endowment	Unrestricted including research	Internally restricted	Total
Net assets, beginning of the year	\$ 98,630,643	\$ 32,973,054	\$ 14,415,411	\$ 138,184,073	\$ 284,203,181
(Deficiency) excess of revenue over expenditures (note 12)	(13,378,152)	-	(4,849,464)	-	(18,227,616)
Endowment fund contributions	-	110,731	-	-	110,731
Investment in capital assets (note 12)	7,340,244	-	(7,340,244)	-	-
Repayment of long-term debt (note 12)	2,993,623	-	(2,993,623)	-	-
Internal restrictions	-	-	(19,149,172)	19,149,172	-
Utilized internal restrictions	-	-	19,917,092	(19,917,092)	-
<b>Net assets, end of year</b>	<b>\$ 95,586,358</b>	<b>\$ 33,083,785</b>	<b>\$ -</b>	<b>\$ 137,416,153</b>	<b>\$ 266,086,296</b>

					2021
	Invested in capital assets	Restricted for endowment	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
(Deficiency) excess 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)	-
Net assets, end of year	<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>

See accompanying notes to financial statements

# The Sheridan College Institute of Technology and Advanced Learning

## Statement of Cash Flows

Year ended March 31, 2022

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
(Deficiency) excess of revenue over expenditures	\$ (18,227,617)	\$ 2,008,820
Items not involving cash:		
Amortization of capital assets	22,077,866	23,839,452
Amortization of deferred contributions related to capital assets	(8,699,714)	(8,527,125)
Loss (gain) on disposal of capital assets	-	(2,895,624)
Employee future benefits (recovery)	(139,000)	15,000
Sick leave recovery	40,000	280,000
Change in non-cash operating working capital items:		
Grants receivable	(748,459)	(556,301)
Accounts receivable	(792,038)	(1,050,427)
Prepaid expenses and deposits	336,640	(301,188)
Accounts payable and accrued liabilities	7,320,144	935,157
Deferred revenue	10,697,779	(6,441,658)
Note payable to Sheridan Student Union Incorporated	164,225	2,098,560
Net increase in deferred contributions related to expenses of future periods	7,028,295	9,717,830
	<b>19,058,121</b>	<b>19,122,496</b>
<b>Financing activities:</b>		
Endowment fund contributions	110,731	107,399
HMC C-Wing advance - OFA loan	8,840,000	23,575,000
HMC C-Wing advance - OFA loan - interest	124,653	69,222
Repayment of long-term debt	(3,159,235)	(2,995,967)
	<b>5,916,149</b>	<b>20,755,654</b>
<b>Capital activities:</b>		
Purchase of capital assets and construction in progress	(19,157,541)	(17,235,104)
Proceeds on disposal of capital assets	-	2,897,540
Deferred contributions - capital assets	18,351,976	3,554,258
	<b>(805,565)</b>	<b>(10,783,306)</b>
<b>Investing activities:</b>		
Net (increase) decrease of investments	(15,436,112)	(11,485,311)
Student levy receivable	(10,287,710)	156,912
	<b>(25,723,822)</b>	<b>(11,328,399)</b>
Net (decrease) increase in cash	(1,555,117)	17,766,445
Cash, beginning of year	122,345,023	104,578,578
<b>Cash, end of year</b>	<b>\$ 120,789,906</b>	<b>\$ 122,345,023</b>

See accompanying notes to financial statements

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

---

### 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.

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. Should a portion of a grant relate to a future period, it is deferred and recognized in the subsequent period.

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

Externally restricted contributions and restricted investment income 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.

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, 2022

---

#### 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 is 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 over the useful lives of the assets as follows:

Buildings	40 years
Parking lots, site and roadway	15 years
Building renovations	1-15 years
Furniture and fixtures	5 years
Computer equipment	3 years
Major equipment	10 years
Equipment and vehicles	5 years
Software implementation	1-15 years

##### (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, 2022

---

#### 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 (2021 - 11.3 years).

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2022

---

#### 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 and 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 related to financial instruments in the fair value category are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations 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 operations.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs, other than quoted prices within level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not supported by observable market data (unobservable inputs).

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

Notes to the Financial Statements

Year ended March 31, 2022

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

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, 2022				
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 40,917,260	\$ -	\$ 40,917,260
Endowment fund investments	70,241,810	-	-	70,241,810
Long-term investments	-	135,000,000	-	135,000,000
<b>Total investments</b>	<b>\$ 70,241,810</b>	<b>\$ 175,917,260</b>	<b>\$ -</b>	<b>\$ 246,159,070</b>

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
<b>Total investments</b>	<b>\$ 65,683,905</b>	<b>\$ 165,039,053</b>	<b>\$ -</b>	<b>\$ 230,722,958</b>

(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:

	2022	2021
Cash	\$ 120,789,906	\$ 122,345,023
Short-term investments at fair value	40,917,260	124,121,793
Endowment fund investments at fair value	70,241,810	65,683,905
Long-term investments at fair value	135,000,000	40,917,260
Long-term investments at cost	688,351	688,351
<b>Total cash and investments</b>	<b>\$ 367,637,327</b>	<b>\$ 353,756,332</b>

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

### 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.

	2022	2021
Restricted funds, measured at fair value	\$ 18,042,196	\$ 15,450,927
Restricted for endowment purposes, measured at fair value (note 3(b))	70,352,541	65,804,785
	88,394,737	81,255,712
Unrestricted investments at cost	688,351	688,351
Unrestricted cash and investments, measured at fair value	278,554,239	271,812,269
	\$ 367,637,327	\$ 353,756,332

Short-term investments are Guaranteed Investment Certificates with a fair market value of \$40,917,260 paying interest at a rate of 2.70% maturing April 2022. Long-term investments are Guaranteed Investment Certificates with a fair market value of \$45,000,000 paying interest at a rate of 2.70% maturing February 2024, and \$45,000,000 paying interest at a rate of 3.01% maturing April 2024, and Redeemable Guaranteed Investment Certificates with a fair market value of \$45,000,000 paying interest at 3.00% maturing March 2024.

At March 31, 2021, 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.

Included in unrestricted investments at cost are three investments in "Come from Away" productions. The College has invested \$234,813 (2021 - \$234,813) in the North American production, \$250,413 (2021 - \$250,413) in the United Kingdom production and \$203,125 (2021 - \$203,125) in the Australian production. As of March 2022, the College received life to date distributions of \$390,244 from the North American production, \$191,100 from the United Kingdom production and \$51,871 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.

	2022	2021
Cumulative realized investment income on endowment funds in excess of disbursements	\$ 29,504,802	\$ 29,058,261
Cumulative unrealized gains on endowment fund investments	7,763,954	3,773,470
Funds available for use	37,268,756	32,831,731
Cumulative capital contribution (book value) (note 16)	33,083,785	32,973,054
Total endowment funds, measured at fair value	\$ 70,352,541	\$ 65,804,785



# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

---

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

(c) Investment income and realized investment gains from the cash and investment portfolio related to endowment funds are \$3,581,351 for the year ended March 31, 2022 (2021 - \$12,328,213). Unrealized gains on endowment fund investments are \$3,990,484 for the year ended March 31, 2022 (2021 – unrealized loss of \$332,631). These amounts are reported in Schedule 1.

### 4. Accounts receivable:

Accounts receivable is comprised of the following amounts:

	2022	2021
Student accounts receivable	\$ 8,441,431	\$ 8,471,564
Investment interest receivable	4,396,150	4,673,990
Other accounts receivable	1,849,181	2,822,048
Taxes receivable	1,617,849	1,108,755
Corporate receivable	1,476,800	1,778,511
Current portion of student levy receivable (note 5)	365,269	165,612
	18,146,680	19,020,480
Less allowance for doubtful accounts	2,431,318	4,296,812
Total	\$ 15,715,362	\$ 14,723,668

### 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, 2022 is \$174,796 (2021 - \$165,612).

In November 2021, a new wing was constructed at the Hazel McCallion Campus. Payment for 41% of the building will be provided by future SSUI student levies and 43% of the building will be provided by future athletics 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, 2022 is \$190,473.

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

Notes to the Financial Statements

Year ended March 31, 2022

**6. Capital assets**

<b>2022</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net carrying value</b>
Land	\$ 1,834,889	\$ -	\$ 1,834,889
Buildings	402,549,739	139,471,058	263,078,681
Parking lots and roadway	2,988,016	2,776,876	211,140
Building renovations	47,319,919	25,851,674	21,468,245
Leasehold improvements	252,389	60,352	192,037
Furniture and fixtures	25,803,331	24,688,948	1,114,383
Computer equipment	23,830,096	21,816,893	2,013,203
Major equipment	62,257,617	33,583,433	28,674,184
Equipment and vehicles	47,268,333	43,171,233	4,097,100
Software implementation	4,072,250	4,072,250	-
Site	1,058,078	127,906	930,172
Construction in progress	105,196	-	105,196
	<b>\$ 619,339,853</b>	<b>\$ 295,620,623</b>	<b>\$ 323,719,230</b>

<b>2021</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net carrying value</b>
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
Construction in progress	34,295,427	-	34,295,427
	<b>\$ 600,645,967</b>	<b>\$ 274,006,410</b>	<b>\$ 326,639,557</b>

During the year, Sheridan acquired capital assets at an aggregated cost of \$53,347,769 (2021 - \$8,552,371). Of this amount \$39,216,147 was transferred from construction in progress for Hazel McCallion Campus C-Wing.

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

---

### 7. Hazel McCallion Campus C-Wing OFA loan

In June 2018, Sheridan entered into an agreement with the Ontario Financing Authority to borrow up to \$37,000,000 to finance the construction of the Hazel McCallion Campus C-Wing. \$32,415,000 was drawn by March 31, 2022. The interest rate on the loan during the construction period was equal to the 90-day Ontario Treasury Bill Rate at the date of each advance plus 0.275% compounded quarterly and resulted in interest costs being capitalized and recorded as debt in the amount of \$193,374.80 at March 31, 2022. The \$32,608,874.80 debt will be repaid over twenty-five years in semi-annual instalments of blended principal and interest at 3.838% commencing October 3, 2022.

### 8. Deferred revenue:

	2022	2021
Student fees and tuition – pre-payments	\$ 43,316,620	\$ 28,876,430
Winter term deferral	16,871,715	19,907,897
Ministry funding	2,081,339	4,556,550
Special projects	6,490,586	5,431,202
Residence	1,421,472	711,874
Hazel McCallion Campus Phase 2 project	5,309,735	5,309,735
	<u>\$ 75,491,467</u>	<u>\$ 64,793,688</u>

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, 2022

### 10. Long-term debt:

	2022	2021
Gymnasium, Residences, Davis A wing and HMC C 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	\$ 5,143,476	\$ 6,030,848
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	2,576,730	3,498,873
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	1,235,146	1,400,759
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	34,646,704	35,830,811
Ontario Financing Authority loan facility (HMC C-Wing) with interest at 3.838% and total principal of \$32,680,875. Repayable \$1,020,128 semi-annually including interest commencing October 2022 to April 2047	32,608,875	-
	76,210,931	46,761,291
Less principal amounts due within one year	4,128,436	3,159,235
	\$ 72,082,495	\$ 43,602,056

The long-term debt related to the residences and the gymnasium totaling \$8,955,352 (2021 - \$10,930,480) will be repaid from future student levies and residence fees.

The long-term debt related to the Hazel McCallion Campus C-Wing totaling \$32,608,875 will be partially repaid from future student levies fees (41% from Sheridan Student Union Incorporated and 43% from Sheridan Athletics).

Interest on long-term debt amounted to \$1,819,501 (2021 - \$1,974,379) and has been included in supplies and services in the statement of operations.

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

2023	\$ 4,128,436
2024	3,285,294
2025	5,059,708
2026	3,620,502
2027	3,476,308
Thereafter	56,640,683
Total minimum payments	\$ 76,210,931

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

Notes to the Financial Statements

Year ended March 31, 2022

**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 operations.

	2022	2021
Balance, beginning of year	\$ 148,352,954	\$ 153,325,821
Transfer from deferred contributions for expenses of future periods	36,870	620,204
Transfer from deferred contributions for construction in progress	5,500,000	-
Amounts amortized to revenue	(8,699,714)	(8,527,125)
Contributions received or receivable	18,315,101	2,934,054
Balance, end of year	<u>\$ 163,505,211</u>	<u>\$ 148,352,954</u>

(b) 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.

	2022	2021
Balance, beginning of year	\$ 48,282,658	\$ 38,564,828
Unrealized gain/(loss) on endowment fund investments	3,990,484	(332,631)
Realized investment income on endowment funds	3,581,351	12,328,213
Amounts recognized to revenue for endowment disbursements	(3,134,809)	(3,244,533)
Amounts recognized to revenue	(8,795,646)	(8,094,216)
Transfer to deferred contributions for capital assets	(36,870)	(620,204)
Amounts received related to future periods	11,423,785	9,681,201
Balance, end of year	<u>\$ 55,310,953</u>	<u>\$ 48,282,658</u>

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

Notes to the Financial Statements

Year ended March 31, 2022

**12. Invested in capital assets:**

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

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 98,630,643	\$ 107,166,150
Excess of revenue over expenditures:		
Amortization of deferred capital contributions	8,699,714	8,527,125
Amortization of capital assets	(22,077,866)	(23,839,452)
Adjustments related to sale of land	-	(1,058,429)
Gain (loss) on disposal of capital assets	-	2,895,624
	<u>(13,378,152)</u>	<u>(13,475,132)</u>
Net change in invested in capital assets:		
Purchase of capital assets	14,131,622	8,552,371
Transfer from construction in progress	39,216,147	-
Amounts financed by:		
Proceeds on disposal of capital assets	-	(2,897,540)
Deferred contributions	(18,351,973)	(3,554,258)
SSUI Capital Contribution	(5,500,000)	-
HMC C-Wing OFA Loan	(32,608,875)	-
HMC C-Wing SSUI Receivable	10,453,323	-
	<u>7,340,244</u>	<u>2,100,573</u>
Long-term debt repayment:		
Residences	1,809,516	1,694,954
Davis A Wing	1,184,107	1,144,098
	<u>2,993,623</u>	<u>2,839,052</u>
Balance, end of year	<u>\$ 95,586,358</u>	<u>\$ 98,630,643</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>2023</b>	<b>\$ 4,232,729</b>
<b>2024</b>	<b>4,380,480</b>
<b>2025</b>	<b>4,316,094</b>
<b>2026</b>	<b>4,259,236</b>
<b>2027</b>	<b>4,300,350</b>
	<u><b>\$ 21,488,889</b></u>

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

### 13. Commitments (continued):

(b) Letters of credit:

Sheridan has posted letters of credit totaling \$1,063,745 (2021 - \$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:

	2022	2021
Accrued benefit obligations	\$ 1,887,000	\$ 1,971,000
Fair value of plan assets	(516,000)	(470,000)
Funded status-plan deficit	1,371,000	1,501,000
Unamortized actuarial (gain) loss	(4,000)	5,000
Employee future benefits accrual	\$ 1,367,000	\$ 1,506,000

	2022	2021
Current service (recovery) expense	\$ (115,000)	\$ 37,000
Interest on accrued benefit obligation	2,000	2,000
Amortization of actuarial gain	(17,000)	(15,000)
Benefit payments	(9,000)	(9,000)
Total employee future benefits (recovery) expense	\$ (139,000)	\$ 15,000

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

Notes to the Financial Statements

Year ended March 31, 2022

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

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

	2022	2021
Vesting sick leave:		
Accrued benefit obligation	\$ 55,000	\$ 81,000
Unamortized actuarial loss	20,000	101,000
Sick leave benefit entitlements	75,000	182,000
Non-vesting sick leave:		
Accrued benefit obligation	8,395,000	9,459,000
Unamortized actuarial gain	(2,799,000)	(4,010,000)
Non-vesting sick leave benefit entitlements	5,596,000	5,449,000
Total sick leave benefit entitlements	\$ 5,671,000	\$ 5,631,000

	2022	2021
Vesting sick leave:		
Current service cost	\$ 3,000	\$ 3,000
Interest on accrued benefit obligation	1,000	2,000
Amortization of actuarial gain	(83,000)	(5,000)
Benefit payments	(28,000)	(23,000)
	(107,000)	(23,000)
Non-vesting sick leave:		
Current service cost	755,000	998,000
Interest on accrued benefit obligation	164,000	156,000
Amortization of actuarial loss (gain)	225,000	219,000
Benefit payments	(997,000)	(1,070,000)
	147,000	303,000
Total sick leave benefits expense (recovery)	\$ 40,000	\$ 280,000

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, 2022.



**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
Notes to the Financial Statements  
Year ended March 31, 2022

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

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

Assumptions	2022	2021
Discount rate	2.9% per annum	1.7 % per annum
Medical cost increase		
Hospital:	6.29% per annum in 2022, grading down to 4% by 2040	6.42% per annum in 2021, grading down to 4% by 2040
Drugs:	6.29% per annum in 2022, grading down to 4% by 2040	6.42% per annum in 2021, grading down to 4% by 2040
Other Medical:	6.29% per annum in 2022, grading down to 4% by 2040	6.42% per annum in 2021, grading down to 4% by 2040
Vision/Hearing Care:	6.29% per annum in 2022, grading down to 4% by 2040	6.42% per annum in 2021, grading down to 4% by 2040
Dental costs increase	4% per annum	4% per annum
Expected return on plan assets	1.50%	0.85%

**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, 2022 indicated an actuarial surplus of \$4.4 billion. For the year ending March 31, 2022, Sheridan made contributions to the Plan and its associated retirement compensation arrangement of \$19,122,745 (2021 - \$18,994,703) which has been recorded in salaries and benefits in the statement of operations.

**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 operations 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 \$3,140,566 (2021 - \$3,244,533). Total investment income deferred during the year in excess of disbursement is \$4,431,268 (2021 - \$8,751,049).

# THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

## Notes to the Financial Statements

Year ended March 31, 2022

### 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, 2022 (schedule based on book value):

	2022	2021
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, 2022 (schedule based on book value):

	2022	2021
Balance, beginning of year	\$ 25,323,192	\$ 17,300,428
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	2,666,926	10,673,946
Bursaries awarded (2022 – 2,807; 2021 – 3,209)	(2,458,176)	(2,651,182)
Balance, end of year	\$ 25,531,942	\$ 25,323,192
Endowment total based on book value	\$ 50,790,650	\$ 50,581,900

The market value of the endowment as at March 31, 2022 is \$57,119,825 (2021 - \$53,676,145).

#### **OSOTF II**

Schedule of changes in endowed funds related to OSOTF II within the Endowment Fund balance for the year ended March 31, 2022 (schedule based on book value):

	2022	2021
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, 2022

**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, 2022 (schedule based on book value):

	2022	2021
Balance, beginning of year	\$ 481,776	\$ 283,425
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	59,065	239,013
Bursaries awarded (2022 - 40; 2021 - 37)	(42,598)	(40,662)
Balance, end of year	\$ 498,243	\$ 481,776
Endowment total based on book value	\$ 1,138,417	\$ 1,121,950

The market value of the endowment as at March 31, 2022 is \$1,278,944 (2021 - \$1,189,495).

**OTSS**

Schedule of changes in endowed funds related to OTSS within the Endowment Fund balance for the year ended March 31, 2022 (schedule based on book value):

	2022	2021
Fund balance, beginning of year	\$ 4,365,709	\$ 4,365,709
Cash donations received	3,494	-
Matching funds from the Ministry	-	-
Preservation of capital	-	-
Fund balance, end of year	\$ 4,369,203	\$ 4,365,709

Schedule of changes in expendable funds related to OTSS available for awards for the year ended March 31, 2022 (schedule based on book value):

	2022	2021
Balance, beginning of year	\$ 2,573,400	\$ 1,871,172
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	361,219	953,046
Bursaries awarded (2022 - 142; 2021 - 106)	(254,243)	(250,818)
Balance, end of year	\$ 2,680,376	\$ 2,573,400
Endowment total based on book value	\$ 7,049,579	\$ 6,939,109

The market value of the endowment as at March 31, 2022 is \$7,918,365 (2021 - \$7,357,586).

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

## Notes to the Financial Statements

Year ended March 31, 2022

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

Total endowment fund balance is comprised of:

	2022	2021
Endowed fund related to OSOTF I, OSOTF II and OTSS within endowment fund	\$ 30,268,085	\$ 30,264,591
Other endowed funds	2,815,700	2,708,463
Endowment fund balance, end of year	33,083,785	32,973,054
Expendable funds available for OSOTF I, OSOTF II and OTSS awards	28,710,561	28,378,368
Expendable funds available for other endowed funds	794,242	679,893
Expendable funds within deferred contribution - expenses of future periods based on book value	\$ 29,504,803	\$ 29,058,261

The market value of other endowed funds as at March 31, 2022 is \$4,035,407 (2021 - \$3,581,558).

The market value of total endowment fund as at March 31, 2022 is \$70,352,541 (2021 - \$65,804,784).

**17. Internally restricted net assets:**

Internally restricted net assets are for:

	2022	2021
Capital projects	\$ 120,752,060	\$ 117,757,496
Strategic initiatives	9,784,674	14,402,339
Operating expenses for the following year	6,879,419	6,024,238
Total	\$ 137,416,153	\$ 138,184,073

**18. Other revenue:**

Other revenue in the statement of operations is comprised of:

	2022	2021
Research grants	\$ 5,773,957	\$ 5,691,430
Investment income	5,677,734	5,411,064
Miscellaneous revenue	5,071,493	3,918,123
Total	\$ 16,523,184	\$ 15,020,617

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2022

---

#### 19. Supplies and services expenditures:

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

	2022	2021
Services	\$ 41,400,171	\$ 36,011,112
Plant and property	23,617,381	21,542,054
Supplies and minor equipment	21,028,105	15,942,150
Other	3,734,346	4,958,994
Total	\$ 89,780,003	\$ 78,454,310

#### 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, 2022 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 operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The balance of the allowance for doubtful accounts at March 31, 2022 is \$2,431,318 (2021 - \$4,296,812).

As at March 31, 2022, \$6,773,491 (2021 - \$4,659,214) of accounts receivable were past due, but not impaired.

**THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
Notes to the Financial Statements  
Year ended March 31, 2022

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

(a) Credit risk (continued):

The amounts outstanding at year end were as follows:

<b>2022</b>					
	Total	Past due			
		1-30 days	31 – 60 days	61 – 90 days	> 90 days
Student accounts receivable	\$ 8,441,431	\$ 106,375	\$ 106,833	\$ 3,498,203	\$ 4,730,020
Corporate receivable	1,476,800	607,048	70,272	7,879	791,601
Less allowance for doubtful accounts	(2,431,318)	(18,128)	(4,061)	(9,680)	(2,399,449)
	<u>7,486,913</u>	<u>695,295</u>	<u>173,044</u>	<u>3,496,402</u>	<u>3,122,172</u>
Investment interest receivable	4,396,150	3,354,047	128,023	93,829	820,251
Other accounts receivable	1,849,181	1,492,058	1,420	-	355,703
Taxes receivable	1,617,849	1,617,849	-	-	-
Current portion of student levy receivable	365,269	365,269	-	-	-
	<u>\$ 15,715,362</u>	<u>\$ 7,524,518</u>	<u>\$ 302,487</u>	<u>\$ 3,590,231</u>	<u>\$ 4,298,126</u>

Sheridan holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation (CDIC) and provincially regulated credit unions who are insured by the Deposit Insurance Corporation of Ontario (DICO). In the event of default, Sheridan's cash accounts are insured up to \$100,000 (2021 - \$100,000) for federally regulated chartered banks and up to \$250,000 (2021 - \$250,000) for provincially regulated credit unions. One of Sheridan's Guaranteed Investment Certificate has a 100% financially backed guarantee by Central 1 up to \$45,000,000.

There have been no significant changes to the credit risk exposure from 2021.

(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 2021.

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2022

---

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

##### (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 2021.

##### (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, 2022, 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 \$2,462,698 (2021 - \$2,308,438).

Sheridan's investments are disclosed in Note 3.

There has been no change to the interest rate risk exposure from 2021.

## THE SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

### Notes to the Financial Statements

Year ended March 31, 2022

---

#### 21. Significant Event

In January 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus, the “COVID-19 outbreak”. In March 2020, the College closed its campuses and remained closed until July 2020, when some operations on campus for students returned. Starting in the 2020/21 fiscal year and continuing into the Spring term of the 2021/22 fiscal year, the College delivered most of its curriculum online with limited on campus activity. In the Fall 2021 term, the College was able to resume increased on campus activity, however reverted to mostly online learning at the beginning of the Winter 2022 term. In March 2022, the College was again able to increase on campus activity.

As the impacts of the COVID-19 outbreak continue, there could be further impacts on the College, its students and its funding sources. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, and its workforce. Given the continued uncertainty associated with the COVID-19 outbreak and the global responses, the College will continue to assess the impacts of COVID-19 on its operations and fiscal outlook and adjust, as appropriate.



**The Sheridan College Institute of Technology and Advanced Learning**  
**Schedule 1 - Endowment and Deferred Contributions for Expenses of Future Periods**

Year ended March 31, 2022

							<b>2022</b>
	Endowment fund (note 3(b))	Endowment fund investment income and disbursements	Bursaries and scholarships	Other	Student Centre	Total	
Balance, beginning of year	\$ 32,973,054	\$ 32,831,730	\$ 3,718,004	\$ 5,854,927	\$ 5,877,997	\$ 81,255,712	
Receipts:							
Donations	110,731	-	1,742,111	2,393,831	1,686,845	5,933,518	
Gain and interest on investments (note 3(c))	-	3,581,351	287	12,445	55,061	3,649,144	
Unrealized gain (note 3(c))	-	3,990,484	-	-	-	3,990,484	
Tuition reinvestment fund contributions	-	-	5,533,205	-	-	5,533,205	
	<u>110,731</u>	<u>7,571,835</u>	<u>7,275,603</u>	<u>2,406,276</u>	<u>1,741,906</u>	<u>19,106,351</u>	
	33,083,785	40,403,565	10,993,607	8,261,203	7,619,903	100,362,063	
Disbursements:							
Awards	-	2,825,774	5,105,654	46,804	-	7,978,232	
Other	-	314,792	2,088,831	468,746	1,079,855	3,952,224	
Transfer between funds	-	(5,757)	(89,252)	95,009	-	-	
Transfer to deferred capital contributions	-	-	-	36,870	-	36,870	
	<u>-</u>	<u>3,134,809</u>	<u>7,105,233</u>	<u>647,429</u>	<u>1,079,855</u>	<u>11,967,326</u>	
Balance, end of year	<u>\$ 33,083,785</u>	<u>\$ 37,268,756</u>	<u>\$ 3,888,374</u>	<u>\$ 7,613,774</u>	<u>\$ 6,540,048</u>	<u>\$ 88,394,737</u>	
							<b>2021</b>
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 3(c))	-	12,328,213	302	11,961	45,787	12,386,263	
Unrealized loss (note 3(c))	-	(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>	