

SHERIDAN STUDENT UNION INC.

FINANCIAL STATEMENTS

APRIL 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sheridan Student Union Inc.

Opinion

We have audited the financial statements of Sheridan Student Union Inc. (the "Organization"), which comprise the statement of financial position as at April 30, 2023, and the statements of operations, changes in net assets and 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 Organization as at April 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 Organization 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.

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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT, CONTINUED

- 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 Organization'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 Organization'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 Organization 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.



Mississauga, Ontario
October 3, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



SHERIDAN STUDENT UNION INC.

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2023

	2023	2022
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 25,090,368	\$ 22,619,256
Accounts receivable (Notes 4 & 11)	23,019	37,894
HST recoverable	-	20,681
Inventory (Note 5)	70,725	25,360
Prepaid expenses	110,359	47,517
	<u>25,294,471</u>	<u>22,750,708</u>
Capital assets (Note 6)	<u>18,272,519</u>	<u>7,962,125</u>
	<u>\$ 43,566,990</u>	<u>\$ 30,712,833</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 541,083	\$ 385,631
HST payable	1,016	-
Deferred revenue (Note 7)	1,570,352	1,000
Amount due to Sheridan College (Note 9)	131,826	23,687
Current portion of loans payable (Note 8)	708,118	-
	<u>2,952,395</u>	<u>410,318</u>
Loans payable (Note 8)	<u>9,063,381</u>	<u>-</u>
	<u>12,015,776</u>	<u>410,318</u>
COMMITMENTS (Note 16)		
NET ASSETS		
Invested in capital assets (Note 10)	8,428,442	7,962,125
Internally restricted (Note 13)	18,050,701	15,609,865
Unrestricted	<u>5,072,071</u>	<u>6,730,525</u>
	<u>31,551,214</u>	<u>30,302,515</u>
	<u>\$ 43,566,990</u>	<u>\$ 30,712,833</u>

Approved on behalf of the Board

Harjot S. Sidhu

Director Harjot S. Sidhu (Oct 14, 2023 15:56 EDT)

Vidhya Ganapathy Subramanian

Director Vidhya Ganapathy Subramanian (Oct 18, 2023 16:19 EDT)



SHERIDAN STUDENT UNION INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2023

	2023	2022
Revenue		
Student fees	\$ 6,651,636	\$ 5,342,850
Health and dental plan fees	2,968,937	4,575,665
Interest income	848,647	123,178
Food and beverage operations	479,502	21,370
Government assistance (Note 11)	9,016	240,376
Other	106,259	178,903
	<u>11,063,997</u>	<u>10,482,342</u>
Expenditures		
Health and dental plan expense	3,158,386	4,513,612
Employment and benefits	2,285,033	1,694,542
Food and beverage operations	681,466	5,206
Student activity	1,022,880	1,084,138
General and administrative	818,307	316,674
Amortization	1,078,270	253,906
Repairs and maintenance	329,462	184,149
Loss on disposal of capital assets	16,201	77,333
Loan interest (Note 8)	425,293	-
	<u>9,815,298</u>	<u>8,129,560</u>
Excess of revenue over expenditures	<u>\$ 1,248,699</u>	<u>\$ 2,352,782</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2023

	<i>Invested in capital assets</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2023 Total</i>	<i>2022 Total</i>
Net assets, beginning of year	\$ 7,962,125	\$ 15,609,865	\$ 6,730,525	\$ 30,302,515	\$ 27,949,733
Excess (deficiency) of revenue over expenditures	(1,094,471)	2,333,129	10,041	1,248,699	2,352,782
Invested in capital assets (Note 10)	1,560,788	(1,287,157)	(273,631)	-	-
Interfund transfers (Note 12)	-	1,394,864	(1,394,864)	-	-
Net assets, end of year	<u>\$ 8,428,442</u>	<u>\$ 18,050,701</u>	<u>\$ 5,072,071</u>	<u>\$ 31,551,214</u>	<u>\$ 30,302,515</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2023

	2023	2022
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 1,248,699	\$ 2,352,782
Adjustments for non cash items		
Amortization	1,078,270	253,906
Loss on disposal of capital assets	16,201	77,333
	<u>2,343,170</u>	<u>2,684,021</u>
Change in non-cash working capital items		
Accounts receivable	14,875	85,993
Inventory	(45,365)	5,206
Prepaid expenses	(62,842)	(33,617)
Amount due to Sheridan College	108,139	(28,804)
Accounts payable and accrued liabilities	155,452	(500,118)
HST recoverable/payable	21,697	22,643
Deferred revenue	1,569,352	(4,000)
	<u>4,104,478</u>	<u>2,231,324</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(951,542)</u>	<u>(911,908)</u>
Cash flows from financing activities		
Repayment of loans payable	<u>(681,824)</u>	<u>-</u>
Increase in cash and cash equivalents	2,471,112	1,319,416
Cash and cash equivalents, beginning of year	<u>22,619,256</u>	<u>21,299,840</u>
Cash and cash equivalents, end of year	<u>\$ 25,090,368</u>	<u>\$ 22,619,256</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

1. NATURE OF OPERATIONS

Sheridan Student Union Inc. (the "Organization") is incorporated without share capital under the laws of the Province of Ontario. The Organization operates for the benefit of all Sheridan College Institute of Technology and Advanced Learning ("Sheridan College") students as a non profit organization. The Organization is a non profit organization within the meaning of The Income Tax Act (Canada) section 149(1)(L) and, accordingly, is exempt from income taxes.

The Organization provides a wide variety of services to enhance the students college experience including a student health and dental plan, food and beverage operations, legal counselling, and employment opportunities.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies adopted by the Organization are as follows:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Revenue from student fees, net of refunds, and special levies are recognized in the period to which they relate. The student fees are comprised of the following:

- i) Student Experience fee which is used to cover the Organization's operating expenses, initiatives, events and student activities;
- ii) Building and capital fee which is collected for the purpose of paying for the cost of construction, maintenance and updating of student centres, the furnishing of student centre spaces, and provides equipment and capital needs related to student centres;
- iii) Health and dental fee to provide critical health and dental service to the students;
- iv) Sheridan Life Radio fee which is used to support the operational costs of Sheridan Life Radio, Sheridan College's student-run radio station.

Revenue from food and beverage operations and other commercial activities are recorded as the related service is provided. Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization of the related capital asset.

Government assistance is recognized when there is reasonable assurance that the Organization will comply with the conditions required to qualify for the subsidy, and the subsidy is reasonably assured to be received. The Organization recognizes government assistance as revenue.

Interest income is recognized in the period in which it is earned.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and cash in trust held by Sheridan College on behalf of the Organization.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Inventory

Inventory is comprised of food and alcoholic and non-alcoholic beverages for resale and is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(d) Capital assets

The Organization reports capital assets at cost and amortizes the assets over their estimated useful lives. Amortization is provided annually using the following methods at the following annual rates:

Computer equipment	Straight-line	3 years
Computer software	Declining balance	33%
Office equipment	Declining balance	20%
Furniture and equipment acquired prior to 2023	Declining balance	20%
Restaurant and bar equipment	Declining balance	20%
Sound and lighting	Declining balance	20%
Leasehold improvements	Straight-line	5-25 years
Smallwares	Straight-line	3 years
License fee	Straight-line	10 years
Furniture and equipment	Straight-line	5-10 years
Elevator	Straight-line	25 years

(e) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and amounts due to Sheridan College.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

(f) Impairment of long-lived assets

The preparation of financial statements in conformity with generally accepted accounting principles requires that long lived assets, including capital assets, are amortized over their useful lives. The Organization reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the undiscounted cash flows expected to result from the use and eventual disposition of a group of assets is less than its carrying amount, it is considered impaired. An impairment loss is measured as the amount by which the carrying amount of the group of asset exceeds its fair value. At April 30, 2023, no such impairment has occurred.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(h) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the rate of amortization of capital assets, accounts payable and accrued liabilities and deferred revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CASH AND CASH EQUIVALENTS

	2023	2022 (Note 17)
Operating	\$ 7,039,667	\$ 7,009,391
Building and capital fund	13,463,591	12,047,346
Health and dental plan fund	3,755,215	2,487,528
Shuttle bus fund	317,686	306,728
Campus safety fund	259,874	297,179
Building operating fund	-	287,147
Food bank fund	37,521	112,149
Sheridan Life Radio fund	216,814	71,788
	<u>\$ 25,090,368</u>	<u>\$ 22,619,256</u>

As at April 30, 2023, a total of \$22,548,204 of cash was held by Sheridan College on behalf of the Organization (2022 - \$21,357,437). All accounts, with the exception of the operating funds, are internally restricted by the Organization.

4. ACCOUNTS RECEIVABLE

	2023	2022
Trade accounts receivable	\$ 23,019	\$ 28,821
Canada Emergency Wage Subsidy (Note 11)	-	2,227
Canada Recovery Hiring Program (Note 11)	-	18,846
Allowance for doubtful accounts	-	(12,000)
	<u>\$ 23,019</u>	<u>\$ 37,894</u>



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

5. INVENTORY

	2023	2022
Food	\$ 42,997	\$ 1,937
Beverage	11,691	10,938
Other supplies	16,037	12,485
	<u>\$ 70,725</u>	<u>\$ 25,360</u>

Inventories recognized as expense during the year amount to \$233,870 (2022 - \$5,206).

6. CAPITAL ASSETS

	<i>Cost</i>	<i>Accumulated amortization</i>	2023 <i>Net</i>	2022 <i>Net</i>
Computer equipment	\$ 77,752	\$ 40,743	\$ 37,009	\$ 18,084
Computer software	36,642	21,011	15,631	23,657
Office equipment	70,994	50,096	20,898	26,123
Furniture and equipment	2,571,504	667,541	1,903,963	117,102
Restaurant and bar equipment	120,114	81,807	38,307	47,884
Sound and lighting	403,181	354,967	48,214	63,298
Leasehold improvements	17,511,416	1,430,492	16,080,924	235,856
Smallwares	22,109	7,369	14,740	-
License fee	45,000	16,500	28,500	18,000
Elevator	140,555	56,222	84,333	89,955
Construction in progress	-	-	-	7,322,166
	<u>\$ 20,999,267</u>	<u>\$ 2,726,748</u>	<u>\$ 18,272,519</u>	<u>\$ 7,962,125</u>

7. DEFERRED REVENUE

Deferred revenue reported in the statement of financial position represents restricted operating funding received for which the related expenditures will be incurred in a subsequent period.

Deferred revenue is comprised of the following:

	2023	2022
Health and dental plan fees	\$ 1,569,352	\$ -
Sponsorship	1,000	1,000
	<u>\$ 1,570,352</u>	<u>\$ 1,000</u>



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

8. LOANS PAYABLE

On August 18, 2022, Sheridan College and Sheridan Student Union Inc. entered into a Supplemental Agreement To The Project Construction, Management and Financing Agreement which outlines the terms and conditions relating to the \$10,453,323 owed by the Organization to Sheridan College for the new facility at the Mississauga campus. The terms are as follows:

Loan 1 with a principal amount of \$7,800,008, bearing interest at 3.838% per annum, to be repaid in semiannual instalments of \$244,014 over a period of 25 years commencing September 29, 2022	\$ 7,609,535
Loan 2 with a principal amount of \$2,653,315, bearing interest at 3.813% per annum, to be repaid in semiannual instalments of \$293,941 over a period of 5 years commencing September 29, 2022	<u>2,161,964</u>
	9,771,499
less current portion	<u>(708,118)</u>
	<u>\$ 9,063,381</u>

Expected future principal re-payments for the loans based on the current loan amortization are as follows:

	Loan 1	Loan 2	Total
2024	\$ 197,853	\$ 510,265	\$ 708,118
2025	205,520	529,907	735,427
2026	213,484	550,305	763,789
2027	221,756	571,487	793,243
2028	230,348	-	230,348
Thereafter	<u>6,540,574</u>	<u>-</u>	<u>6,540,574</u>
	<u>\$ 7,609,535</u>	<u>\$ 2,161,964</u>	<u>\$ 9,771,499</u>

For the year ended April 30, 2023, interest expense of \$425,293 was incurred relating to these loans.

In accordance with the terms of the Project Construction, Management and Financing Agreement, in the event of a fundamental breach of the terms of the agreement Sheridan College has the right to require the Organization to increase the Building and capital fee to cover any shortfall in loan repayments.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

9. DUE TO SHERIDAN COLLEGE

The balance due to Sheridan College is comprised of the following:

	2023	2022
Utilities & cleaning	\$ 35,288	\$ 15,893
Hazel McCallion Campus 2A Building Project	87,731	7,794
Other	<u>8,807</u>	<u>-</u>
Total due to Sheridan College	<u>\$ 131,826</u>	<u>\$ 23,687</u>

The Organization has an economic interest in Sheridan College. The Organization is independent and provides a wide variety of services to the students of Sheridan College. Sheridan College collects student fees on behalf of the Organization and holds the funds in trust until required by the Organization for operations.

10. INVESTED IN CAPITAL ASSETS

The change in net assets invested in capital assets is calculated as follows:

	2023	2022
Excess of expenses over revenue:		
Amortization of capital assets	\$ 1,078,270	\$ 253,906
Loss on disposal of capital assets	<u>16,201</u>	<u>77,333</u>
	<u>\$ 1,094,471</u>	<u>\$ 331,239</u>
Change in investments in capital assets:		
Capital assets acquired	\$ 11,404,865	\$ 911,908
Funded by loans payable	(9,771,499)	-
Funded by liability to Sheridan College	<u>(72,578)</u>	<u>-</u>
	<u>\$ 1,560,788</u>	<u>\$ 911,908</u>

11. GOVERNMENT ASSISTANCE

During the prior year the Organization applied to both the Canada Emergency Wage Subsidy ("CEWS") program and the Canada Recovery Hiring Program ("CRHP") to obtain relief from payroll costs during the COVID-19 pandemic. The CEWS program ended in October 2021 and the CRHP program ended in May 2022.

In the current year, claims under the CRHP program were \$9,016 (2022 - \$18,846). As at April 30, 2023, all claims were received. CRHP subsidies have been recognized as revenue in the statement of operations.

Total claims under the CEWS program was \$nil (2022 - \$221,530). CEWS subsidies have been recognized as revenue in the statement of operations.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

12. INTERFUND TRANSFERS

Consistent with prior years the Building and capital, Health and dental, and Shuttle Bus funds are internally restricted by the Organization. Funds are transferred as expenditures are paid out of the related cash trust accounts to fund capital projects, significant repairs and maintenance projects, and plan premiums.

13. INTERNALLY RESTRICTED RESERVES

	2023	2022 (Note 17)
Building and capital	\$ 13,463,591	\$ 12,047,346
Health and dental	3,755,215	2,487,528
Shuttle Bus	317,686	306,728
Campus Safety	259,874	297,179
Building Operating	-	287,147
Food bank	37,521	112,149
Sheridan Life Radio	216,814	71,788
	<u>\$ 18,050,701</u>	<u>\$ 15,609,865</u>

The Organization collects fees to support specific costs such as major building renovations and repairs, capital equipment and furniture, and the health and dental plan for students. The Organization no longer collects fees to support the cost of the inter campus shuttle bus, currently the reserves that have been retained are expected to be utilized for transportation related initiatives. In fiscal 2020, internally restricted reserves were established under the Student Choice Initiative ("SCI"). As of September 2020 the SCI has been repealed, student fees are no longer required to be collected under the SCI model. During the year, amounts set aside for SCI purposes were utilized for expenditures meeting the requirements of the various restrictions. In the current year the building and capital reserves were combined to align with consolidation of the fees.

The internally restricted reserves were established to support the following programs and initiatives:

- (a) Building and capital - to support the construction, maintenance and updating of student centres, the furnishing of student centre spaces, and provides equipment and capital needs related to students centres at all three campuses;
- (b) Health and dental - for the payment of student health and dental plan premiums;
- (c) Shuttle Bus - to support transportation related initiatives to facilitate student travel between the three campuses of Sheridan College;
- (d) Sheridan Life Radio - to support the operation of Sheridan Life Radio, Sheridan College's campus radio community. Originally established as a result of the SCI initiative, on behalf of Sheridan Life Radio, the Organization has continued to collect this fee post SCI to support operations.

Reserves established as a result of the Student Choice Initiative are as follows:

- (e) Campus Safety - to support the provision of the SafeWalk service, including staffing, training, service provision and promotion;
- (f) Building Operating - to support the cost of repairs and maintenance, utilities, cleaning, operational staffing, and security costs in student centres at three Sheridan campuses;
- (g) Food bank - to support students through access to food and essentials;



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

14. POST-EMPLOYMENT BENEFITS - RETIREMENT BENEFITS

CAAT Pension Plan

All of the Organization's full-time employees, and some of the part-time employees, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly sponsored defined benefit plan for eligible employees of public colleges and related employers in Ontario. The Organization makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long term viability of the Plan. Any pension surplus or deficit is a joint responsibility of the members and employers which may affect future contribution rates. The Organization does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Organization's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2023 indicated an actuarial surplus of \$4,713,000,000 (2022 - \$4,369,000,000).

The Organization made contributions to the Plan and its associated retirement compensation arrangement of \$134,010 (2022 - \$115,003) which has been included in the statement of operations.

15. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of account receivable, accounts payable and accrued liabilities and amounts due to Sheridan College. The fair values of these financial instruments approximate their carrying value due to the relatively short periods to maturity of these items.

In addition, financial instruments include loans payable, the fair value of which are not readily determinable.

Financial instrument risk exposure and management

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. A brief description of management's assessments of these risks is described below.

General objective, policies and processes

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

It is management's opinion that the Organization is not exposed to any significant interest rate, foreign currency and credit risk arising from its financial instruments. All of the Organization's cash is held at one major Canadian financial institution.

Liquidity risk

Liquidity risk is defined as the risk that the Organization may not be able to settle or meet its obligations as they become due. Liquidity risk is managed by the preparation of an annual budget and by holding adequate cash reserves.

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



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2023

16. COMMITMENTS

As at April 30, 2023 the Organization has approved the following commitments to Sheridan College:

- (a) Sheridan College and the Sheridan Student Union are in the process of completing the construction of a new facility at the Mississauga Campus that will include many of the same amenities offered at their other two campus locations, within a building that will be shared with athletics and a student senate component. The Board of Directors of the Organization have committed to fund their proportionate share of the project which is estimated to be \$19,959,000, including HST.

As of April 30, 2023, \$17,981,465 of project costs have been incurred. Additional project costs are expected to be incurred in fiscal 2024 directly by the Organization and by Sheridan College. Costs incurred by Sheridan College will be invoiced to the Organization on a quarterly basis in accordance in the the terms of the financing agreement.

- (b) In the prior year, the Organization received approval from the Board of Directors for a commitment of up to \$6,200,000 for student centre refresh at the Trafalgar and Davis campuses. These upgrades include atrium refresh, food and beverage area renovations, office renovations, and roof repair or replacement at the Trafalgar student centre. The upgrade projects commenced in the current year and are anticipated to be completed in fiscal 2024 and fiscal 2025 for Davis and Trafalgar respectively. Sheridan College and the Organization are working closely on these upgrades. On behalf of the Organization, Sheridan College has entered into contracts with various vendors. As of April 30, 2023, approximately \$934,815 of project costs have been incurred of which \$852,499 have been capitalized, \$82,316 has been expensed to repairs and maintenance.

The Organization has entered into the following commitments with other third parties as follows:

The Organization has entered into commitments for its food and beverage operations under multiple year agreement ending on various dates to November 2024. Minimum payments under these arrangements are \$6,000.

The Organization has entered into license agreements for the provision of services related to a virtual clubs College community to July 31, 2024. The Organization has committed to costs estimated at \$38,000 to the end of the terms of these agreements.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. In the current year the building reserve and capital reserve were combined.

