

SHERIDAN STUDENT UNION INC.

FINANCIAL STATEMENTS

APRIL 30, 2022



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, 2022, 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, 2022, 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
September 30, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



SHERIDAN STUDENT UNION INC.

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2022

	2022	2021
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 22,619,256	\$ 21,299,840
Accounts receivable (Notes 4 & 9)	37,894	123,887
HST recoverable	20,681	43,324
Inventory (Note 5)	25,360	30,566
Prepaid expenses	47,517	13,900
	<u>22,750,708</u>	<u>21,511,517</u>
Capital assets (Note 6)	<u>7,962,125</u>	<u>7,381,456</u>
	<u>\$ 30,712,833</u>	<u>\$ 28,892,973</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 385,631	\$ 885,749
Deferred revenue	1,000	5,000
Amount due to Sheridan College (Note 7)	23,687	52,491
	<u>410,318</u>	<u>943,240</u>
COMMITMENTS (Note 14)		
IMPACT OF COVID-19 (Note 15)		
SUBSEQUENT EVENT (Note 16)		
NET ASSETS		
Invested in capital assets (Note 8)	7,962,125	7,381,456
Internally restricted (Note 11)	15,609,865	15,671,033
Unrestricted	6,730,525	4,897,244
	<u>30,302,515</u>	<u>27,949,733</u>
	<u>\$ 30,712,833</u>	<u>\$ 28,892,973</u>

Approved on behalf of the Board

Director *Shivang Shingala*
 Shivang Shingala (Oct 11, 2022 14:27 EDT)

Director *L. Praneesh*
 Pranesh Lakshmanasamy (Oct 11, 2022 11:06 EDT)



SHERIDAN STUDENT UNION INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2022

	2022	2021
Revenue		
Student fees	\$ 5,342,850	\$ 4,788,969
Medical plan fees	4,575,665	4,674,673
Government assistance (Note 9)	240,376	436,324
Food and beverage operations	21,370	3,393
Interest income	123,178	121,412
Other	178,903	48,541
	<u>10,482,342</u>	<u>10,073,312</u>
Expenditures		
Medical plan premiums	4,513,612	4,434,880
Employment and benefits	1,694,542	1,421,666
Food and beverage operations	5,206	38,086
Student activity	1,084,138	804,689
General and administrative	316,674	259,404
Amortization	253,906	272,480
Repairs and maintenance	184,149	78,344
Loss on disposal of capital assets	77,333	-
	<u>8,129,560</u>	<u>7,309,549</u>
Excess of revenue over expenditures	<u>\$ 2,352,782</u>	<u>\$ 2,763,763</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2022

	<i>Invested in capital assets</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2022 Total</i>	<i>2021 Total</i>
Net assets, beginning of year	\$ 7,381,456	\$ 15,671,033	\$ 4,897,244	\$ 27,949,733	\$ 25,185,970
Excess (deficiency) of revenue over expenditures	(331,239)	1,244,248	1,439,773	2,352,782	2,763,763
Invested in capital assets (Note 8)	911,908	(984,578)	72,670	-	-
Interfund transfers (Note 10)	-	(320,838)	320,838	-	-
Net assets, end of year	<u>\$ 7,962,125</u>	<u>\$ 15,609,865</u>	<u>\$ 6,730,525</u>	<u>\$ 30,302,515</u>	<u>\$ 27,949,733</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2022

	2022	2021
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 2,352,782	\$ 2,763,763
Adjustments for non cash items		
Amortization	253,906	272,480
Loss on disposal of capital assets	77,333	-
Total adjustments	<u>331,239</u>	<u>272,480</u>
Change in non-cash working capital items		
Accounts receivable	85,993	(57,156)
Inventory	5,206	49,301
Prepaid expenses	(33,617)	(665)
Amount due to Sheridan College	(28,804)	(93,685)
Accounts payable and accrued liabilities	(500,118)	(1,707,265)
HST recoverable/payable	22,643	(52,448)
Deferred revenue	(4,000)	(11,492)
	<u>2,231,324</u>	<u>1,162,833</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(911,908)</u>	<u>(764,436)</u>
Increase in cash and cash equivalents	1,319,416	398,397
Cash and cash equivalents, beginning of year	<u>21,299,840</u>	<u>20,901,443</u>
Cash and cash equivalents, end of year	<u>\$ 22,619,256</u>	<u>\$ 21,299,840</u>

See accompanying Notes to the financial statements



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

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:

- 1) Activity fees which is used to cover the Organization's operating expenses, initiatives, events and student activities;
- 2) Building restricted fund fee which is collected for the purpose of paying for the cost of major renovations to the buildings that the students utilize;
- 3) Mandatory medical fee to provide critical health and dental service to the students;
- 4) Capital fund fee which is used to cover the cost of major repairs and maintenance which are capitalized and new capital asset purchases;

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, 2022

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	Declining balance	33%
Computer software	Declining balance	33%
Office equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Restaurant and bar equipment	Declining balance	20%
Sound and lighting	Declining balance	20%
Leasehold improvements	Straight-line	5 years
Smallwares	Declining balance	33%
License fee	Straight-line	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, 2022, no such impairment has occurred.

(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.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(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 and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CASH AND CASH EQUIVALENTS

	2022	2021
Operating	\$ 7,009,391	\$ 5,628,725
Building fund	8,825,936	8,141,468
Capital fund	3,221,410	2,825,806
Medical fund	2,487,528	2,709,515
Shuttle bus fund	306,728	304,086
Academic support fund	-	70,544
Campus safety fund	297,179	308,666
Building operating fund	287,147	899,086
Club fund	-	126,965
Food bank fund	112,149	132,363
Sheridan Life Radio fund	71,788	152,532
	<u>\$ 22,619,256</u>	<u>\$ 21,299,756</u>

As at April 30, 2022, a total of \$21,357,437 of cash was held by Sheridan College on behalf of the Organization (2021 - \$19,930,942). All accounts, with the exception of the operating funds, are internally restricted by the Organization.

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade accounts receivable	\$ 28,821	\$ 6,918
Canada Emergency Wage Subsidy (Note 9)	2,227	116,969
Canada Recovery Hiring Program (Note 9)	18,846	-
Allowance for doubtful accounts	(12,000)	-
	<u>\$ 37,894</u>	<u>\$ 123,887</u>



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

5. INVENTORY

	2022	2021
Food	\$ 1,937	\$ 5,785
Beverage	10,938	12,296
Other supplies	<u>12,485</u>	<u>12,485</u>
	<u>\$ 25,360</u>	<u>\$ 30,566</u>

Inventories recognized as expense during the year amount to \$5,206 (2021 - \$30,206).

6. CAPITAL ASSETS

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net</i>	<i>2021 Net</i>
Computer equipment	\$ 124,690	\$ 106,606	\$ 18,084	\$ 27,124
Computer software	85,295	61,638	23,657	11,717
Office equipment	70,994	44,871	26,123	33,748
Furniture and fixtures	582,282	465,180	117,102	140,665
Restaurant and bar equipment	120,114	72,230	47,884	135,578
Sound and lighting	421,247	357,949	63,298	82,184
Leasehold improvements	1,013,926	778,070	235,856	389,008
Smallwares	-	-	-	854
License fee	30,000	12,000	18,000	21,000
Elevator	140,555	50,600	89,955	95,578
Construction in progress	<u>7,322,166</u>	<u>-</u>	<u>7,322,166</u>	<u>6,444,000</u>
	<u>\$ 9,911,269</u>	<u>\$ 1,949,144</u>	<u>\$ 7,962,125</u>	<u>\$ 7,381,456</u>

The net book value of capital assets at April 30, 2022 includes the cost of construction of leaseholds in progress and therefore not available for use. No amortization has been taken on these assets in the current year.

7. DUE TO SHERIDAN COLLEGE

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

	2022	2021
Utilities	\$ 15,893	\$ (3,930)
Hazel McCallion Campus 2A Building Project	<u>7,794</u>	<u>56,421</u>
Total due to Sheridan College	<u>\$ 23,687</u>	<u>\$ 52,491</u>



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

7. DUE TO SHERIDAN COLLEGE, continued

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.

8. INVESTED IN CAPITAL ASSETS

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

	2022	2021
Excess of expenses over revenue:		
Amortization of capital assets	\$ 253,906	\$ 272,480
Loss on disposal of capital assets	<u>77,333</u>	<u>-</u>
	<u>\$ 331,239</u>	<u>\$ 272,480</u>
Change in investments in capital assets:		
Capital assets acquired	<u>\$ 911,908</u>	<u>\$ 764,436</u>

9. GOVERNMENT ASSISTANCE

During the year the Organization applied to 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.

Under the CEWS program, the Organization is entitled to receive up to 75% of an employee's wages up to a set amount per week. Total claims under the CEWS program was \$221,530 (2021 - \$436,324). As at April 30, 2022, \$2,227 (2021 - \$116,969) was included in accounts receivable. CEWS subsidies have been recognized as revenue in the statement of operations.

Total claims under the CRHP program was \$18,846 (2021 - \$nil). As at April 30, 2022, \$18,846 (2021 - \$nil) was included in accounts receivable. CRHP subsidies have been recognized as revenue in the statement of operations.

10. INTERFUND TRANSFERS

Consistent with prior years the Building, Capital, Student Health and Dental Plan, 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.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

11. INTERNALLY RESTRICTED RESERVES

	2022	2021
Capital fund	\$ 3,221,410	\$ 2,825,806
Building fund	8,825,936	8,141,468
Student Health and Dental Plan	2,487,528	2,709,515
Shuttle Bus fund	306,728	304,056
Academic Support fund	-	70,544
Campus Safety fund	297,179	308,666
Building Operating fund	287,147	899,086
Clubs fund	-	126,965
Food bank fund	112,149	132,363
Sheridan Student Life Radio fund	71,788	152,532
	<u>\$ 15,609,865</u>	<u>\$ 15,671,033</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.

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

- (a) Capital fund - to support the furnishing of student centre spaces and provide equipment and capital needs related to student centres at all three campuses;
- (b) Building fund - to support major capital projects in the student centres;
- (c) Student Health and Dental Plan - for the payment of student health and dental plan premiums;
- (d) Shuttle Bus fund - to support transportation related initiatives to facilitate student travel between the three campuses of Sheridan College;

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

- (e) Academic Support fund - to support the provision of academic supports including the intranet portal development;
- (f) Campus Safety fund - to support the provision of the SafeWalk service, including staffing, training, service provision and promotion;
- (g) Building Operating fund - to support the cost of repairs and maintenance, utilities, cleaning, operational staffing, and security costs in student centres at three Sheridan campuses;
- (h) Clubs fund - to support infrastructure that provides funding opportunities, staffing and promotional support, and oversight and regulation for clubs that operate on campus;
- (i) Food bank fund - to support students through access to food and essentials;
- (j) Sheridan Life Radio fund - to support the operation of Sheridan Life Radio, Sheridan College's campus radio community.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

12. 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, 2022 indicated an actuarial surplus of \$4,369,400,000 (2021 - \$3,270,200,000).

The Organization made contributions to the Plan and its associated retirement compensation arrangement of \$115,003 (2021 - \$98,780) which has been included in the statement of operations.

13. 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.

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, 2022

14. COMMITMENTS

As at April 30, 2022 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, 2022, \$6,899,186 of project costs, net of recoverable HST, have been incurred and are recognized as construction in progress. Project costs incurred to date include \$5,500,000 paid to Sheridan College. Subsequent to April 30, 2022, Sheridan College and the Organization have entered into an agreement related to the financing of an additional \$10,453,323 of project costs incurred by Sheridan College to March 31, 2022, as detailed in Note 16. Additional project costs are expected to be incurred in fiscal 2023 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 project commenced in the current year and is anticipated to be completed in 2023. 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, 2022 approximately \$422,980 of project costs have been incurred and are reflected as construction in process net of applicable recoverable HST, a further \$73,220 has been expensed to repairs and maintenance.
- (c) In a prior year the Board of Directors approved a contribution of \$150,000 to support the Sheridan College Portal Project. As of April 30, 2022, \$125,000 has been paid and the Organization has committed to pay the balance of \$25,000 in 2023.

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 \$9,000.

In the prior year the Organization entered into a 3 year license agreement, covering the period August 1, 2020 to July 31, 2023, for the provision of services related to a virtual clubs College community. The Organization has committed to costs estimated at \$27,000 to the end of the term of the agreement.

In the current year the Organization entered into commitments of approximately \$66,700 related to the implementation of a financial reporting system and point of sale system. As of April 30, 2022 approximately \$24,400 of costs had been incurred. The project is expected to be completed in 2023.



SHERIDAN STUDENT UNION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2022

15. IMPACT OF COVID-19

During the year the COVID-19 virus has continued to create material uncertainty for business continuity across a broad range of industries. The economic impact of the virus could be severe and long lasting as unprecedented measures are being taken to mitigate the consequences of the pandemic. This has resulted in a significant economic uncertainty, of which the potential impact on the Organization's future financial results is difficult to reliably measure at this time. The Organization has taken advantage of federal government assistance programs in place as disclosed in note 9. Management is continuing to carefully monitor and evaluate the impact as the situation evolves. No adjustments have been made to these financial statements as a result of this uncertainty, other than to reflect to the routine spoilage of food inventory.

16. SUBSEQUENT EVENT

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, as detailed in Note 14(a). The terms, as agreed, are as follows;

- (a) Loan with a principal amount of \$7,800,008 bearing interest rate of 3.838% per annum, to be repaid in semiannual installments of \$244,014 over a period of 25 years commencing September 29, 2022.
- (b) Loan with a principal amount of \$2,653,315 bearing interest rate of 3.813% per annum, to be repaid in semiannual installments of \$293,941 over a 5 year period commencing September 29, 2022.

