

Shine Brighter

Sheridan

Financial Statements and Supplementary Information of

SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

Year ended March 31, 2011



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Independent Auditor's Report

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

We have audited the accompanying financial statements of Sheridan College Institute of Technology and Advanced Learning ("College"), which comprise the statement of financial position as at March 31, 2011, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Burlington, Ontario
June 13, 2011

**SHERIDAN COLLEGE INSTITUTE OF
TECHNOLOGY AND ADVANCED LEARNING**
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Year ended March 31, 2011

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**Sheridan College Institute of
Technology and Advanced Learning**
Statement of Financial Position


March 31, 2011

	2011	2010
Assets		
Current assets		
Cash and investments (note 3)	\$ 122,264,432	\$ 92,139,433
Grants receivable	3,798,662	7,830,025
Accounts receivable	6,953,153	5,233,612
Prepaid expenses and deposits	2,237,674	1,524,404
	135,253,921	106,727,474
Promissory note receivable (note 4)	-	510,918
Student levy receivable (note 5)	2,550,020	2,646,564
Other notes receivable	282,682	359,727
Long-term grant receivable (note 6)	3,766,399	5,538,846
Capital assets (note 7)	185,872,907	159,866,131
	\$ 327,725,929	\$ 275,649,660
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 29,604,055	\$ 24,121,440
Deferred revenue (note 8)	19,033,612	15,938,825
Due to student association	2,639,391	1,915,903
	51,277,058	41,976,168
Long-term debt (note 9)	23,991,611	25,540,158
Sick leave benefit entitlements	1,469,397	1,630,623
Employee future benefits (note 14a)	1,265,000	1,223,000
Deferred contributions (note 10):		
Capital assets	108,941,697	84,690,086
Expenses of future periods	6,173,006	3,781,151
	193,117,769	158,841,186
Net Assets:		
Unrestricted:		
Operating	5,000,000	3,544,462
Vacation pay accrual	(8,463,072)	(7,853,533)
Employee future benefits accrual (Note 14a)	(1,265,000)	(1,223,000)
Vested sick-leave benefit accrual	(1,469,397)	(1,630,623)
	(6,197,469)	(7,162,694)
Internally restricted (note 17)	46,908,391	33,717,974
Invested in capital assets (note 11)	53,568,507	54,009,249
Restricted for endowments (notes 3 and 16)	40,328,731	36,243,945
	134,608,160	116,808,474
	\$ 327,725,929	\$ 275,649,660

See accompanying notes to financial statements

APPROVED BY THE BOARD

 Board Chair

 President

**Sheridan College Institute of
Technology and Advanced Learning
Statement of Revenue and Expenditures**

Year ended March 31, 2011

	2011	2010
REVENUE - schedule 2		
Grants and reimbursements	\$ 97,141,023	\$ 96,452,285
Amortization of deferred contributions related to:		
Capital assets	5,788,944	5,666,115
Expenses of a future period	5,918,023	6,249,757
Endowment fund interest	265,602	701,690
Student tuition	69,570,251	55,692,845
Ancillary operations	12,904,562	12,145,384
Other	20,850,798	17,853,350
Loss on disposal of capital assets	(18,249)	(20,012)
	212,420,954	194,741,414
EXPENDITURES		
Academic - schedule 3	102,312,854	94,681,155
Student services - schedule 4	20,155,383	17,475,699
Administration - schedule 5	32,110,102	32,352,636
Property and plant - schedule 6	11,787,127	11,216,411
Supplementary - schedule 7	2,910,417	2,567,025
Ancillary operations - schedule 8	8,894,682	8,632,466
Research - schedule 9	2,148,566	1,723,055
Interest on capital leases	-	3,171
Vacation pay	609,539	224,820
Employee future benefits	42,000	21,000
Sick leave benefit entitlements (recovery)	(161,226)	(426,223)
Amortization of capital assets	11,712,985	11,235,975
	192,522,429	179,707,190
Other expenses related to deferred contributions:		
Awards and bursaries	4,984,375	5,770,619
Other	1,199,250	1,180,828
	6,183,625	6,951,447
	198,706,054	186,658,637
Excess of revenue over expenditures	\$ 13,714,900	\$ 8,082,777

See accompanying notes to financial statements.

**Sheridan College Institute of
Technology and Advanced Learning
Statement of Changes in Net Assets**

Year ended March 31, 2011

	2011		2010		
	Invested in capital assets	Restricted for endowments	Unrestricted including research	Internally restricted	Total
Balance, beginning of the year	\$ 54,009,249	\$ 36,243,945	\$ (7,162,694)	\$ 33,717,974	\$ 116,808,474
Excess of revenue over expenditures (expenditures over revenue) (note 1(b))	(5,942,290)	-	19,657,190	-	13,714,900
Endowment contributions receipts	-	788,308	-	-	1,863,326
Endowment contributions disbursements	-	(265,602)	-	-	(701,690)
Endowment gain on investments	-	3,562,080	-	-	4,371,368
Investment in capital assets	4,619,995	-	(4,619,995)	-	-
Repayment of long-term debt	881,553	-	(881,553)	-	-
Internal restrictions	-	-	(13,190,417)	13,190,417	-
Net assets, end of year	\$ 53,568,507	\$ 40,328,731	\$ (6,197,469)	\$ 46,908,391	\$ 134,608,160

See accompanying notes to financial statements

**Sheridan College Institute of
Technology and Advanced Learning**

Statement of Cash Flows

Year ended March 31, 2011

	2011	2010
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 13,714,900	\$ 8,082,777
Items not involving cash:		
Amortization of capital assets	11,712,985	11,235,975
Amortization of deferred contributions related to capital assets	(5,788,944)	(5,666,115)
Loss on disposal of capital assets	18,249	20,012
Employee future benefits	42,000	21,000
Sick leave benefit entitlements	(161,226)	(426,223)
Change in non-cash operating working capital (note 13)	10,928,613	9,686,594
Net increase in deferred contributions related to expenses of future periods	2,391,855	1,455,369
	32,858,432	24,409,389
Financing activities:		
Deferred contributions - capital assets	30,040,555	5,783,425
Endowment gain on investments	3,562,080	4,371,368
Endowment contributions	522,706	1,161,636
Repayment of long-term debt	(1,451,446)	(1,499,299)
	32,673,895	9,817,130
Investing activities:		
Long-term grant receivable	1,688,044	1,186,970
Other notes receivable	72,747	(258,226)
Purchase of capital assets	(37,738,011)	(19,427,046)
Promissory note receivable	478,421	447,990
Student levy receivable	91,471	86,662
	(35,407,328)	(17,963,650)
Net cash inflow	30,124,999	16,262,869
Cash and investments, beginning of year	92,139,433	75,876,564
Cash and investments, end of year	\$ 122,264,432	\$ 92,139,433

See accompanying notes to financial statements

SHERIDAN COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

Notes to the Financial Statements

Year ended March 31, 2011

1. Description of Organization:

Sheridan College Institute of Technology and Advanced Learning, 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 the College was changed to The Sheridan College Institute of Technology and Advanced Learning. The College 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.

The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

2. Significant accounting policies:

These financial statements are the representation of management and have been prepared in accordance with the "Governance and Accountability Framework for Universities and Colleges of Ontario," and generally accepted accounting principles in Canada.

(a) Revenue recognition:

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

Under the Ministry of Training, Colleges and Universities ("Ministry"), Sheridan is funded by the Province of Ontario in accordance with budget arrangements established by the Ministry. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2011.

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

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Deferred revenue consists of student fees paid in advance and other revenue where the offsetting expenditure will be incurred in the next fiscal year. 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 the College.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

2. Significant accounting policies (continued):

(a) Revenue recognition (continued)

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.

(b) Cash and investments:

Cash and investments consist of cash on hand, bank balances and short term, highly liquid investments in money market and EFT pooled funds. Investments are classified as available for sale and are recorded at fair value on a settlement date basis. Fair value is determined based on quoted market prices. Unrealized gains or losses from the change in fair value are recorded in the statement of changes in net assets. Transaction costs related to the investments are expensed.

(c) Long-term grant receivable:

Long-term grant receivable is classified as loans and receivables and is initially recorded at fair value and subsequently carried at amortized cost using the effective interest method.

(d) Capital assets:

Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to Sheridan's ability to provide services, its carrying amount is written down to its residual value.

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

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

(e) Construction in progress:

Construction in progress includes interest and financing costs on funds borrowed or funds on hand and utilized for new construction. 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 will be amortized on a basis consistent with similar assets.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

2. Significant accounting policies (continued):

(f) Vacation pay

The College recognizes vacation pay as an expense on the accrual basis.

(g) Vested sick leave

The College 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.

(h) Employee future benefits:

The cost of post-retirement benefits is recognized over the periods in which the employee renders services to Sheridan in return for the benefits. The accrued benefit obligation and the current service cost were actuarially determined.

(i) Student organizations:

These financial statements do not reflect the assets, liabilities and results of the operations of the various student organizations which are independent of Sheridan.

(j) Cost allocation:

The operating expenditures are reported as required by the Ministry's College Financial Information System ("CFIS"). As well, Sheridan has followed the cost allocation plan approved by the Council of Presidents of the Colleges of Applied Arts and Technology and endorsed by the Ministry.

Accordingly, direct costs are charged to programs and courses on an actual basis wherever possible.

(k) Internally restricted net assets:

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

(l) Use of estimates:

The preparation of financial statements 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. Actual results could differ from those estimates.

(m) 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.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

2. Significant accounting policies (continued):

(n) 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.

(o) Long-term notes receivable:

Long-term notes receivable are classified as loans and receivables and are initially recorded at fair market value and subsequently carried at amortized cost using the effective interest method.

(p) Financial instruments:

The College utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, current or credit risks arising from its financial instruments, and the carrying amounts approximate fair value.

3. Cash and investments:

(a) Cash and investments include the following restricted amounts:

	2011	2010
Restricted (trust) funds	\$ 6,173,006	\$ 3,781,151
Restricted for endowment purposes (b)	40,328,731	36,243,945
	46,501,737	40,025,096
Due to student association	2,639,391	1,915,903
	49,141,128	41,940,999
Cash on hand and short-term investment	73,123,304	50,198,434
	\$ 122,264,432	\$ 92,139,433

Included in cash and investments are Guaranteed Investment Certificates with the following terms:

Maturity date	Amount	Rate
October 14, 2011	\$ 24,000,000	1.35% cashable
November 4, 2011	20,000,000	1.35% cashable
	<u>\$ 44,000,000</u>	

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

3. Cash and investments (continued):

(b) Restricted for endowment purposes:

At March 31, 2011, the cumulative capital contribution totalled \$30,881,230 (2010 - \$ 30,092,922).

Total endowment funds at market value	\$ 40,328,731
Cumulative capital contribution	30,881,230
Funds available for use	\$ 9,447,501

(c) Investment gain from the fund was \$3,562,080 for fiscal 2011 (2010 - investment gain of \$4,371,368).

4. Promissory note receivable:

In January 2000, Sheridan and the Sheridan Student Union Incorporated (“SSUI”) entered into an agreement in connection with the Davis Student Centre. The promissory note is funded from future student levies approved by the SSUI. The principal amount due within one year has been grouped with accounts receivable in the statement of financial position. Repayment of this note will be completed by March 2012.

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 Sheridan Student Union Incorporated “SSUI”.

The principal amount due within one year has been grouped with accounts receivable in the statement of financial position.

6. Long-term grant receivable:

Sheridan has entered into an agreement dated January 2005 for funding construction of new facilities at the Davis Campus. Pursuant to this agreement, funding will be received over a number of years ending March 31, 2015 based on the following schedule:

Fiscal 2012 - \$2,000,000

Fiscal 2013 - \$2,000,000

Fiscal 2014 - \$1,000,000

Fiscal 2015 - \$1,000,000

The long-term grant receivable has been recorded at its fair value calculated as the present value of the future cash receipts discounted using an effective rate of interest of 5%. The portion to be received in the next year has been grouped in current assets, grants receivable.

The discount of the face value of the grant is being amortized into revenue as cash is received.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

7. Capital assets:

			2011	2010
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value
Land	\$ 2,893,317	\$ -	\$ 2,893,317	\$ 2,893,317
Buildings	190,346,025	61,233,449	129,112,576	134,380,485
Parking lots and roadway	2,987,520	583,436	2,404,084	2,108,963
Building renovations	6,533,149	2,520,221	4,012,928	2,746,118
Leasehold improvements	1,175,139	1,175,139	-	-
Furniture and fixtures	11,239,664	8,910,921	2,328,743	2,585,411
Computer equipment	18,738,736	17,210,927	1,527,809	1,948,407
Major equipment, equipment and vehicles	40,805,924	31,872,307	8,933,617	9,409,269
Construction in progress	34,611,354	-	34,611,354	3,212,411
Software implementation	4,072,250	4,023,771	48,479	581,750
	\$ 313,403,078	\$ 127,530,171	\$ 185,872,907	\$ 159,866,131

During the year, the College acquired capital assets with cash at an aggregated cost of \$37,738,011 (2010 - \$19,427,046). Of this amount \$0 (2010-\$6,241,152) was financed by means of transfer from restricted funds, \$31,120 (2010-\$0) was a gift in kind donation, and the remaining \$37,706,891 was purchased with cash. Remaining commitments related to construction in progress at March 31, 2011 total \$4,856,885.

8. Deferred revenue:

	2011	2010
Student fees and tuition	\$ 16,020,134	\$ 11,708,293
Ministry funding	1,064,737	2,334,226
Special projects	1,287,641	1,197,028
Residence	661,100	699,278
	\$ 19,033,612	\$ 15,938,825

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

9. Long-term debt:

	2011	2010
Student Centre and Residences:		
CIBC loan facility paid with student fees for the Davis Student Centre with interest at 6.59% and total principal of \$4,500,000. Repayable \$44,112 monthly including interest commencing October 1999 to March 2012	\$ 510,918	\$ 989,339
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	12,258,775	12,679,667
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	10,124,058	10,584,719
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	2,646,407	2,737,879
	25,540,158	26,991,604
Less principal amounts due within one year	1,548,547	1,451,446
	\$23,991,611	\$25,540,158

The principal amounts due within one year have been included in accounts payable and accrued liabilities in the statement of financial position.

The long-term debt related to student centre, residences and the Davis gymnasium totaling \$25,540,158 (2010 - \$ 26,991,604) will be repaid from future student levies and residence fees.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

9. Long-term debt (continued):

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

2012	\$	1,548,547
2013		1,106,538
2014		1,180,045
2015		1,258,452
2016		1,342,092
Thereafter		19,104,484
Total minimum payments		25,540,158
Less current portion of obligations included in accounts payable and accrued liabilities		(1,548,547)
Value of long-term outstanding obligations	\$	23,991,611

10. Deferred contributions:

(a) Capital assets:

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

	2011		2010	
Balance, beginning of year	\$	84,690,086	\$	78,331,624
Amounts amortized to revenue		(5,788,944)		(5,666,115)
Transfer from expenses of future periods		-		6,241,152
Contributions received or receivable		30,040,555		5,783,425
Balance, end of year	\$	108,941,697	\$	84,690,086

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

10. Deferred contributions (continued):

(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.

	2011	2010
Balance at beginning of year	\$ 3,781,151	\$ 8,566,934
Amount recognized as revenue	(5,918,023)	(6,249,757)
Transfer to deferred contributions capital assets	-	(6,241,152)
Transfer to operating funds	(400,000)	-
Amount received related to future periods	8,709,878	7,705,126
Balance, end of year	\$ 6,173,006	\$ 3,781,151

11. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2011	2010
Capital assets	\$ 185,872,907	\$ 159,866,131
Less amounts financed by:		
Construction in progress (interim financing)	(34,611,354)	(3,212,411)
Deferred contributions	(75,310,213)	(79,380,085)
Long-term debt:		
Residences	(22,382,833)	(23,264,386)
	\$ 53,568,507	\$ 54,009,249

(b) The deficiency of revenue over expenditures related to investment in capital assets is calculated as follows:

	2011	2010
Deficiency of revenue over expenditures:		
Amortization of deferred capital contributions	\$ 5,788,944	\$ 5,666,115
Amortization of capital assets	(11,712,985)	(11,235,975)
Loss on disposal of capital assets	(18,249)	(20,012)
	\$ (5,942,290)	\$ (5,589,872)

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

12. 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 equipment leases are as follows:

	2011
2012	4,738,196
2013	3,132,109
2014	1,061,464
2015	369,230
2016	17,495
	\$ 9,318,494

(b) Letter of credits

Sheridan has posted letter of credits, totaling \$695,000 as security deposit with municipal governments in Halton and Peel regions relating to new building constructions at both the Davis and Trafalgar campuses.

13. Change in non-cash operating working capital:

	2011	2010
Grants receivable	\$ 4,115,765	\$ 1,250,173
Accounts receivable	(1,677,670)	3,152,749
Prepaid expenses	(713,270)	(696,811)
Accounts payable and accrued liabilities	5,385,513	2,964,936
Deferred revenue	3,094,787	2,430,605
Due to student association	723,488	584,942
	\$ 10,928,613	\$ 9,686,594

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

14. Employee future benefits other than pension:

a) The College pays certain benefits on behalf of its retired employees in addition to pension.

	2011	2010
Balance, beginning of year	\$ 1,223,000	\$ 1,202,000
Current service cost	3,000	4,000
Interest	17,000	21,000
Curtailement (gain)/loss	89,000	72,000
Benefits paid	(67,000)	(76,000)
Balance, end of year	\$ 1,265,000	\$ 1,223,000

Details of the post employment benefits for Sheridan's portion in the College system plan are as follows:

b) Non-pension post-retirement benefits

Value of assets **As of March 31, 2011**

Post-employment benefits - premium waived during LTD	\$ 257,000 *
Total value of assets	\$ 257,000

*Estimated based on Deposit Fund Statements provided as at June 30, 2010 rolled forward to March 31, 2011 assuming a 3.3% per annum return on assets.

Accrued benefit obligations **As of March 31, 2011**

Non-pension post-retirement benefits	\$ 483,000
Post-employment benefits - premium waived during LTD	141,000
Post-employment benefits - continuation of medical and dental benefits during LTD	898,000
Total accrued benefit obligation	\$ 1,522,000

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

14. Employee future benefits other than pension (continued):

Assumptions

Interest (Discount) rate	4.75% per annum
Medical cost increase	Hospital: 4.5% per annum Drugs: 10.5% per annum in 2011, grading down to 4.5% in 2026 Other Medical: 4.5% per annum Vision/Hearing Care: 4.5% per annum
Dental costs increase	4.5% per annum

15. Pension plans:

Qualifying employees participate in the contributory retirement pension plans governed by the Colleges of Applied Arts and Technology (CAAT) Pension Plan Board Trustees.

The College makes contributions to these plans equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long term viability of the Plan. As at March 31, 2011 the College's contributions amounted to \$8,603,126 (2010 - \$7,619,849 for all plans). There is no indication that the College may be liable for any funding payments in excess of current conditions.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities.

16. Ontario Student Opportunity Trust Fund and other endowments:

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):

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

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

OSOTF I

Schedule of changes in endowed funds related to OSOTF I within the Endowment Fund balance for the year ended March 31, 2011 (schedule based on book value):

	2011	2010
Fund balance, beginning of year	\$ 25,258,608	\$ 25,258,608
Cash donations received	-	-
Preservation of capital	-	-
Fund balance, end of year	\$ 25,258,608	\$ 25,258,608

Schedule of changes in expendable funds related to OSOTF I available for awards for the year ended March 31, 2011 (schedule based on book value):

	2011	2010
Balance, beginning of year	\$ 2,490,151	\$ 2,057,298
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	984,435	990,292
Bursaries awarded (2011 - 46; 2010 - 534)	(118,737)	(557,439)
Balance, end of year	\$ 3,355,849	\$ 2,490,151

Endowment total based on book value	\$ 28,614,457	\$ 27,748,759
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The market value of the endowment as at March 31, 2011 was \$34,239,345.

OSOTF II

Schedule of changes in endowed funds related to OSOTF II within the Endowment Fund balance for the year ended March 31, 2011 (schedule based on book value):

	2011	2010
Fund balance, beginning of year	\$ 615,174	\$ 615,300
Cash donations received	-	(126)
Preservation of capital	-	-
Fund balance, end of year	\$ 615,174	\$ 615,174

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

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, 2011 (schedule based on book value):

	2011	2010
Balance, beginning of year	\$ (7,075)	\$ (23,925)
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	20,324	31,850
Bursaries awarded (2011 - 10; 2010 - 22)	(12,150)	(15,000)
Balance, end of year	\$ 1,099	\$ (7,075)
Endowment total based on book value	<u><u>\$ 616,273</u></u>	<u><u>\$ 608,099</u></u>

The market value of the endowment as at March 31, 2011 was \$758,528.

OTSS

Schedule of changes in endowed funds related to OTSS within the Endowment Fund balance for the year ended March 31, 2011 (schedule based on book value):

	2011	2010
Fund balance, beginning of year	\$ 3,049,129	\$ 939,485
Cash donations received	190,341	582,403
Matching funds from MTCU	493,880	1,527,241
Preservation of capital	-	-
Fund balance, end of year	\$ 3,733,350	\$ 3,049,129

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

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

Schedule of changes in expendable funds related to OTSS available for awards for the year ended March 31, 2011 (schedule based on book value):

	2011	2010
Balance, beginning of year	\$ 28,193	\$ 33,758
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	69,434	9,485
Bursaries awarded (2011 - 14; 2010 - 13)	(15,350)	(15,050)
Balance, end of year	\$ 82,277	\$ 28,193
Endowment total based on book value	<u>\$ 3,815,626</u>	<u>\$ 3,077,322</u>

The market value of the endowment as at March 31, 2011 was \$3,997,436.

Total endowment fund balance is comprised of:

	2011	2010
Endowed fund related to OSOFT I, OSOTF II and OTSS within endowment fund	\$ 29,607,131	\$ 28,922,911
Expendable funds available for OSOTF I, OSOTF II and OTSS awards	3,439,225	2,511,269
	33,046,356	31,434,180
Other endowed funds	1,333,422	1,230,824
Endowment fund balance, end of year	<u>\$ 34,379,778</u>	<u>\$ 32,665,004</u>

The market value of total endowment fund as at March 31, 2011 was \$40,328,731.

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

Notes to the Financial Statements (continued)

Year ended March 31, 2011

17. Internally restricted net assets:

Internally restricted net assets are for:

	2011	2010
Capital projects	\$ 31,379,591	\$ 13,764,600
Strategic initiatives	11,838,430	19,953,374
Operating expenses for the following year	3,690,370	-
Total	\$ 46,908,391	\$ 33,717,974

18. Capital disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital and quantitative data about capital. CICA Handbook Section 1535 also requires disclosure on whether the entity has complied with any capital requirements and consequences in the event of non-compliance.

The College considers its capital to be its net assets excluding endowment funds (see Statement 3 and Notes 11 and 17). The College's objectives when managing its capital are to safeguard its ability to continue as a going concern providing continuous service to its stakeholders, and to allow for future expansion. Annual budgets are developed and monitored to ensure that the College's capital is maintained at an appropriate level, as approved by the Board of Governors.

19. Future for not-for-profit organizations

In December 2010, the Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) issued new standards for not-for-profit organizations (NPOs). Government (public sector) NPOs have a choice of:

- a. Public Sector Accounting standards with the current series of NPO-specific standards added with some minor changes; or
- b. Public Sector Accounting standards.

The Boards require NPOs to adopt their respective standards for year ends beginning on or after January 1, 2012; early adoption is allowed. Until the date of transition to the new standards, all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook – Accounting Part V – Pre-Changeover Standards.

**Sheridan College Institute of
Technology and Advanced Learning**

Schedule 1 - Endowment and Deferred Contributions for Expenses of Future Periods

Year ended March 31, 2011

	2011				2010	
	Endowment fund (note 3 (b))	Bursaries and scholarships	Other	Student Centre	Total	Total
Balance, beginning of year	\$ 36,243,945	\$ 664,349	\$ 1,990,830	\$ 1,125,972	\$ 40,025,096	\$ 39,277,875
Receipts:						
Donations	294,428	1,630,394	1,469,693	1,270,136	4,664,651	3,870,918
Gain and interest on investments	1,191,942	778	9,442	14,685	1,216,847	4,375,577
Unrealized gain	2,370,138	-	-	-	2,370,138	-
Tuition reinvestment fund contributions	-	4,314,205	-	-	4,314,205	4,166,083
Ontario government matching funds and other	493,880	-	545	-	494,425	1,527,241
	4,350,388	5,945,377	1,479,680	1,284,821	13,060,266	13,939,819
	40,594,333	6,609,726	3,470,510	2,410,793	53,085,362	53,217,694
Disbursements:						
Awards	160,287	4,802,809	21,279	-	4,984,375	5,770,618
Other	105,315	248,272	312,831	532,832	1,199,250	1,180,828
Transfer to deferred capital contributions (2010) and operating fund (2011)	-	-	400,000	-	400,000	6,241,152
	265,602	5,051,081	734,110	532,832	6,583,625	13,192,598
Balance, end of year	\$ 40,328,731	\$ 1,558,645	\$ 2,736,400	\$ 1,877,961	\$ 46,501,737	\$ 40,025,096

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 2 - Revenue

Year ended March 31, 2011

	2011	2010
Grants and reimbursements:		
Post-secondary	\$ 85,654,825	\$ 85,347,378
Employment Services (formerly Job Connect)	3,619,540	2,886,864
Ontario Basic Skills	2,168,258	2,222,404
Capital grants	59,650	369,915
Municipal taxes	1,061,775	980,550
Apprenticeship	1,388,474	1,408,209
Other Ontario Ministry grants	16,795	128,722
Federal programs	3,171,706	3,108,243
	97,141,023	96,452,285
Amortization of deferred contributions related to:		
Capital assets	5,788,944	5,666,115
Expenses of a future period	5,918,023	6,249,757
Endowment fund income	265,602	701,690
	11,972,569	12,617,562
Student tuition:		
Full-time	59,738,194	46,160,242
Part-time	9,832,057	9,532,603
	69,570,251	55,692,845
Ancillary operations:		
Bookstores	683,977	575,000
Cafeteria commission	691,384	634,073
Residence	5,536,830	5,437,624
Other	3,814,062	3,399,613
Parking	2,178,309	2,099,074
	12,904,562	12,145,384
Other:		
Research	1,116,875	1,144,819
Daycare	1,239,107	1,333,649
Bank interest	721,336	148,797
Client services	408,169	512,219
Ancillary fees and other	11,296,698	9,359,277
Student IT and mobile fees	6,068,613	5,354,589
	20,850,798	17,853,350
Loss on disposal of capital assets	(18,249)	(20,012)
	\$ 212,420,954	\$ 194,741,414

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 3 - Academic Expenditures

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 6,180,156	\$ 5,730,642
Faculty	55,607,460	50,562,698
Support	13,514,215	12,212,505
Fringe benefits	14,144,245	12,744,138
	89,446,076	81,249,983
Instructional furniture, equipment and computer rental	3,147,682	3,137,721
Instructional supplies	3,959,569	3,997,748
Office supplies	1,238,794	1,747,788
Instructional and EDP equipment maintenance	67,660	51,030
Building and general maintenance	284,951	212,476
Other contracted and professional services	1,470,490	1,373,583
Miscellaneous	306,355	685,738
Promotion and public relations	242,082	182,510
Sick leave gratuities	358,422	358,422
Non-instructional furniture, equipment and computer rental	179,354	118,165
Contract teaching	485,630	581,396
Premises rent	252,041	287,240
Travel and conference	375,770	333,594
Professional development	226,587	212,817
Telephone	68,005	60,040
Memberships	203,386	90,904
	12,866,778	13,431,172
	\$ 102,312,854	\$ 94,681,155

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 4 - Student Services Expenditures

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 2,293,261	\$ 2,012,820
Faculty	1,168,041	1,122,487
Support	9,830,781	8,706,480
Fringe benefits	2,894,932	2,478,877
	16,187,015	14,320,664
Promotion, public relations and brochures	611,870	559,353
Office supplies	795,734	635,468
Miscellaneous	194,440	113,453
Memberships and dues	372,228	466,239
Travel and conference	360,636	226,023
Non-instructional furniture, equipment and computer rental	136,847	115,838
Contracted services	1,328,226	956,142
Instructional supplies	90,626	40,740
Telephone	31,996	19,365
Equipment maintenance	-	705
Professional development	45,765	21,709
	3,968,368	3,155,035
	\$ 20,155,383	\$ 17,475,699

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 5 - Administration Expenditures

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 5,488,694	\$ 7,222,148
Support	8,141,443	7,895,728
Faculty	23,920	-
Fringe benefits	3,256,641	3,238,025
	16,910,698	18,355,901
Non-instructional furniture, equipment and computer rental	4,644,743	4,075,581
Contract services	1,744,482	1,824,408
Bad debts	342,054	238,219
Office supplies	471,361	582,614
Consulting and professional fees	605,286	734,952
Postage and courier	376,201	366,179
Insurance	1,679,274	1,007,603
Bank charges	862,951	783,023
Telephone	202,732	192,509
Professional development	355,813	460,472
Promotion and public relations	2,264,533	2,000,783
Memberships and dues	344,640	303,889
Equipment maintenance	725,783	736,646
Miscellaneous cost	280,292	275,101
Travel and conference	110,802	166,988
Building and general maintenance	1,028	36,157
Staff employment	184,154	197,792
Vehicle	3,275	13,819
	15,199,404	13,996,735
	\$ 32,110,102	\$ 32,352,636

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 6 - Property and Plant Expenditures

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 401,167	\$ 430,254
Support	1,638,558	1,433,692
Fringe benefits	427,064	404,101
	2,466,789	2,268,047
Building and equipment maintenance	1,576,949	2,062,807
Premises rent	9,879	5,083
Contract cleaning services	1,740,239	1,589,230
Security services	1,222,062	1,124,430
Utilities and services:		
Electric	2,792,514	2,056,962
Heating	591,023	838,355
Refuse removal	102,088	138,494
Water	182,260	156,908
Office supplies	295,176	277,306
Miscellaneous	660,448	674,271
Professional fees	-	1,377
Vehicle	4,947	3,460
Travel and conference	6,659	3,659
Memberships and dues	2,588	2,876
Professional development	4,776	3,844
Non-instructional furniture, equipment and computer rental	128,730	9,302
	9,320,338	8,948,364
	\$ 11,787,127	\$ 11,216,411

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 7 - Supplementary Expenditures

Year ended March 31, 2011

	2011	2010
Training stipends:		
Reimbursements	\$ 1,637,524	\$ 1,397,776
Allowances	99,883	97,999
Municipal taxes	1,061,775	980,550
Premises rent	84,482	80,100
Audit and professional fees	26,753	10,600
	\$ 2,910,417	\$ 2,567,025

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 8 - Ancillary Operations Expendi

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 194,353	\$ 237,407
Support	1,908,769	1,593,623
Fringe benefits	483,697	439,513
	2,586,819	2,270,543
Bank charges and long-term debt interest	1,567,419	1,655,688
Building and general maintenance	725,411	767,040
Professional fees	1,086,437	1,073,928
Utilities	561,080	564,867
Contract services	708,613	802,629
Non-instructional furniture, equipment and computer rental	172,651	127,764
Promotion and public relations	353,562	238,773
Office supplies	374,077	323,183
Miscellaneous	405,115	454,042
Telephone	61,727	60,907
Travel	142,660	150,819
Vehicle	38,353	35,688
Premises rent	24,768	22,200
Refuse removal	41,188	36,193
Equipment maintenance	18,812	23,013
Membership and dues	18,394	17,481
Insurance	7,596	7,708
	6,307,863	6,361,923
	\$ 8,894,682	\$ 8,632,466

**Sheridan College Institute of
Technology and Advanced Learning**
Schedule 9 - Research Expenditures

Year ended March 31, 2011

	2011	2010
Salaries		
Administration	\$ 392,678	\$ 370,489
Faculty	321,510	280,113
Support	446,309	365,355
Fringe benefits	202,752	180,663
	1,363,249	1,196,620
Contract services	96,157	236,360
Miscellaneous	(25,026)	97,014
Office supplies	95,163	32,149
Premise rent	192,916	47,610
Travel	22,582	84,208
Promotion	79,740	15,110
Professional development	284	1,016
Professional fees	258,090	6,285
Memberships and dues	6,007	298
Telephone	4,006	3,579
Non-instructional furniture, equipment and computer rental	55,398	2,806
	785,317	526,435
	\$ 2,148,566	\$ 1,723,055