

The logo for Ryerson University, featuring the text "Ryerson University" in white on a blue rectangular background. To the right of the blue rectangle is a vertical yellow bar.

**Ryerson
University**

*CONSOLIDATED FINANCIAL
STATEMENTS*

Year ended April 30, 2021

RYERSON UNIVERSITY

Year ended April 30, 2021

	Page
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Balance Sheet	1
Consolidated Statement of Operations	2
Consolidated Statement of Changes in Net Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	
1. Description	5
2. Summary of Significant Accounting Policies	5
3. Investments and Investment Income	9
4. Employee Future Benefits	10
5. Accounts Receivable	12
6. Notes Receivable	13
7. Capital Assets	13
8. Accounts Payable and Accrued Liabilities	14
9. Long-term Debt and Derivative Financial Instruments	15
10. Deferred Revenue Contributions	17
11. Deferred Capital Contributions	18
12. Endowments	18
13. Internally Restricted Net Assets	19
14. Investment in Capital Assets	20
15. Donations	21
16. Commitments	22
17. Contingent Liabilities	23
18. Net Change in Non-Cash Working Capital Balances	23
19. Fair Values of Financial Assets and Liabilities	23
20. Financial Risk Management	24
21. Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support	25
22. COVID-19	29
23. Subsequent Event	29



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Ryerson University

Opinion

We have audited the consolidated financial statements of Ryerson University (the Entity), which comprise:

- the consolidated balance sheet as at April 30, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2021, and its consolidated results of operations and its consolidated 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

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

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

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

We also:

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

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



Page 3

- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 29, 2021

RYERSON UNIVERSITY

Consolidated Balance Sheet
[In thousands of dollars]

April 30, 2021, with comparative information for 2020

	2021	2020
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	130,489	71,493
Short-term investments	41	48,639
Accounts receivable [note 5]	35,237	34,888
Prepaid expenses	15,609	16,319
Inventories	1,285	1,645
Current portion of notes receivable [note 6]	334	315
Total current assets	182,995	173,299
Investments [note 3[a]]	554,179	330,037
Employee future benefits - pension [note 4]	84,551	5,570
Notes receivable [note 6]	3,940	4,274
Capital assets [note 7]	1,251,051	1,262,011
	2,076,716	1,775,191
LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS		
Current		
Accounts payable and accrued liabilities [note 8]	92,465	81,553
Deferred revenue	27,098	19,126
Current portion of long-term debt [note 9[a]]	8,550	7,818
Current portion of fair value of interest rate swaps [note 9[b]]	6,142	6,252
Total current liabilities	134,255	114,749
Employee future benefits - other [note 4]	32,958	25,510
Long-term debt [note 9[a]]	262,605	269,178
Fair value of interest rate swaps [note 9[b]]	22,099	34,502
Deferred revenue contributions [note 10]	314,304	115,133
Deferred capital contributions [note 11]	271,580	269,475
Total liabilities	1,037,801	828,547
Net assets		
Endowments [note 12]	140,867	136,285
Other [notes 13 and 14]	898,048	810,359
Total net assets	1,038,915	946,644
Commitments [note 16]		
Contingent liabilities [note 17]		
Subsequent event [note 23]		
Total Liabilities and Net Assets	2,076,716	1,775,191

See accompanying notes to consolidated financial statements

On behalf of the Board of Governors:

Catherine Paisley

Chair



Secretary

RYERSON UNIVERSITY

Consolidated Statement of Operations
[In thousands of dollars]

Year ended April 30, 2021, with comparative information for 2020

	2021	2020
	\$	\$
REVENUE		
Government grants for general operations	260,361	259,811
Government grants and contracts for restricted purposes <i>[note 10]</i>	191,126	118,382
Student fees	408,117	375,132
Sales and services	11,339	34,636
Donations recognized <i>[note 15]</i>	14,496	13,924
Amortization of deferred capital contributions <i>[note 11]</i>	13,567	12,268
Unrealized gain on interest rate swaps <i>[note 9[b]]</i>	12,513	–
Investment income <i>[note 3[b]]</i>	7,965	11,853
Other income	5,546	7,164
	<u>925,030</u>	<u>833,170</u>
EXPENSES		
Salaries and benefits	545,101	515,715
Materials, supplies, repairs and maintenance	152,945	179,693
Bursaries and scholarships	53,671	51,366
Sub grants to partner institutions	95,802	38,304
Unrealized loss on interest rate swaps <i>[note 9[b]]</i>	–	9,370
Interest <i>[note 9[a]]</i>	13,063	12,266
Amortization of capital assets <i>[note 7]</i>	51,471	48,002
	<u>912,053</u>	<u>854,716</u>
Revenue less expenses (expenses less revenue)	<u>12,977</u>	<u>(21,546)</u>

See accompanying notes to consolidated financial statements

RYERSON UNIVERSITY

Consolidated Statement of Changes in Net Assets
[In thousands of dollars]

Year ended April 30, 2021, with comparative information for 2020

				2021	2020
	Unrestricted	Internally	Endowments	Total	Total
	\$	\$	\$	\$	\$
		<i>[note 13]</i>	<i>[note 12]</i>		
Net assets, beginning of year	(257,846)	1,068,205	136,285	946,644	1,164,008
Revenue less expenses (expenses less revenue)	12,977	–	–	12,977	(21,546)
Capitalization of investment income in endowments					
<i>[notes 3(b) and 12]</i>	(90)	–	3,269	3,179	–
Internally restricted endowment	(140)	–	140	–	–
Endowment contributions	–	–	1,173	1,173	665
Employee Future Benefit Remeasurement <i>[note 4]</i>	–	74,942	–	74,942	(196,483)
Employee Future Benefit Expense (Income) <i>[note 4]</i>	3,409	(3,409)	–	–	–
Allocation of Carry Forwards <i>[note 13]</i>	(21,506)	21,506	–	–	–
Investment in capital assets <i>[note 14[b]]</i>	2,235	(2,235)	–	–	–
Net assets, end of year	(260,961)	1,159,009	140,867	1,038,915	946,644

See accompanying notes to consolidated financial statements

RYERSON UNIVERSITY

Consolidated Statement of Cash Flows
[In thousands of dollars]

Year ended April 30, 2021, with comparative information for 2020

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Revenue less expenses (expenses less revenue)	12,977	(21,546)
Add (deduct) non-cash items:		
Amortization of capital assets [note 7]	51,471	48,002
Amortization of deferred capital contributions [note 11]	(13,567)	(12,268)
Unrealized (gain) loss on interest rate swaps [note 9[b]]	(12,513)	9,370
Unrealized gain on investments [note 3[b]]	(12,904)	(2,232)
Employee future benefits contributions [note 4]	(27,775)	(26,240)
Employee future benefits expense [note 4]	31,184	19,488
Net change in deferred revenue contributions [note 10]	199,171	15,444
Net change in non-cash working capital balances [note 18]	19,605	(25,612)
Cash provided by operating activities	247,649	4,406
INVESTING ACTIVITIES		
Decrease in notes receivable [note 6]	315	296
Acquisition of capital assets [note 7]	(40,511)	(60,540)
Decrease in short-term investments	48,598	24,788
Decrease (increase) in investments	(211,238)	1,423
Cash used in investing activities	(202,836)	(34,033)
FINANCING ACTIVITIES		
Contributions received for capital purposes [note 11]	15,672	8,500
Endowment contributions [note 12]	1,173	665
Capitalization of investment income in endowments [note 12]	3,179	–
Repayment of long-term debt principal [note 9[a]]	(7,818)	(7,394)
Increase in long-term debt [note 9[a]]	1,977	–
Cash provided by financing activities	14,183	1,771
Net increase (decrease) in cash and cash equivalents during the year	58,996	(27,856)
Cash and cash equivalents, beginning of year	71,493	99,349
Cash and cash equivalents, end of year	130,489	71,493
Supplemental cash flow information:		
Interest paid	13,003	13,427

See accompanying notes to consolidated financial statements

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements
[In thousands of dollars]

Year ended April 30, 2021

1. DESCRIPTION

Ryerson University [the "University"] was incorporated in 1948 under the laws of the Province of Ontario. The mission of the University is the advancement of applied knowledge and research to address societal needs and the provision of programs of study that provide a balance between theory and application and that prepare students for careers in professional and quasi-professional fields. As a leading centre for applied education, the goal of the University is to be recognized for the excellence of its teaching, the relevance of its curriculum, the success of its students in achieving their academic and career objectives, the quality of its scholarship, research and creative activity, and its commitment to accessibility, lifelong learning and involvement in the broader community.

These consolidated financial statements reflect the assets, liabilities, net assets, revenues, expenses and other transactions of all of the operations controlled by the University, including its wholly owned subsidiary, Ryerson Futures Incorporated. Accordingly, these consolidated financial statements include the academic, administrative and other operating expenses funded by fees, grants and other general revenue; restricted purpose funds, including endowment, research and trust; and the ancillary operations, such as residences, food services and parking.

The University is a registered charity and, therefore, is exempt from income taxes under the Income Tax Act [Canada].

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ["CPA Canada"] Handbook, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below:

Cash and cash equivalents and investments

Cash and cash equivalents consist of cash on hand and money-market instruments, such as treasury bills, with a term to maturity of three months or less at the time of purchase and which are readily convertible to cash on short notice. All investments with a maturity date greater than three months and less than one year are classified as short-term investments. All investments in excess of one year are classified as long-term investments.

Inventories

Inventories, which consist of goods held for resale, are recorded at the lower of cost and net realizable value.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Employee future benefits

The University has defined benefit pension plans for its employees and provides other retirement benefits, such as extended health and dental care, for some of its employees. Consistent with the CPA Canada Handbook Accounting Part III Section 3463, all employee future benefits plans are reflected using the Funding Valuation Approach.

The University recognizes the amount of the accrued obligation, net of the fair value of plan assets in the consolidated balance sheet. Current service and finance costs are expensed during the year. Remeasurements and other items which represent the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized directly in the consolidated statement of changes in net assets as a separately identified line item.

The cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method prorated on services and management's best estimates regarding assumptions about a number of future conditions, including investment returns, salary changes, withdrawals, mortality rates and expected health care costs. The fair market value of assets is used for disclosure and calculation of pension cost, effective on the measurement date, which is April 30 of each year.

Contributions to defined benefit plans are expensed when due.

Capital assets

Capital assets acquired and constructed by the University are recorded at cost. Contributions of capital assets are capitalized at fair value at the date of contribution. Capital assets that are newly acquired, constructed or developed are componentized according to their useful life, and amortized on a straight-line basis as follows:

Buildings	
Shell	40 years
Services system, roofing	25 years
Interior construction	15 years
Equipment and furnishings	3 - 10 years
Library books	5 years
Leasehold improvements	Over lease term

Costs of capital projects in progress, including interest, are capitalized. Interest costs are capitalized during the construction period. There were no temporary or partial impairments or disposals of assets during the year. Amortization is not recognized until project completion.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Collections

Purchases of collections are expensed. Donated collections [artwork] are recognized in the consolidated financial statements at a nominal value.

Revenue recognition

The University follows the deferral method of accounting for contributions, which includes donations and government grants. 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. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment investment income is deferred and recognized as revenue in the year in which the related expenses are recognized. Donation pledges are not recorded since they are not legally enforceable claims. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at year end. Operating revenue and expenses are translated at average rates prevailing during the year. Gains or losses arising from these translations are included in the consolidated statement of operations.

Contributed services

An indeterminable number of hours are contributed by volunteers each year. However, because of the difficulty of determining their fair value, contributed services are not recognized in these consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the year. Significant items subject to such estimates and assumptions include the valuation of derivatives and employee future benefits. Actual results could differ from those estimates.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. Investments in equity instruments that are not quoted in an active market are measured at cost, less any reduction for impairment. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The University has elected to continue to carry any such financial instruments at fair value.

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

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Capital management

The University manages its capital by maintaining optimum levels on an ongoing basis. The objective is to ensure an adequate supply for operations while maintaining the flexibility to maximize investment returns and/or to reduce the cost of any potential external financing.

The levels of liquid resources are considered in the annual budget process. Cash flows are monitored on a daily basis, and actual operating results are compared to budget on a quarterly basis. The consolidated financial statements are augmented by reports that detail the liquid inflows and outflows.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

3. INVESTMENTS AND INVESTMENT INCOME

- [a] Investments classified as long-term represent funds held for endowments, deferred revenue contributions, unspent deferred capital contributions and internally designated funds for capital projects.

Investments held for endowment net assets consist of cash and units of Fiera Capital Corp., Fiera Balanced Endowment Foundation and Trust Fund ["FC"] and units of Jarislowsky Fraser Pooled Fund ["JF"].

	FC	JF
Cash and short term	8.1%	1.6%
Bonds	16.8%	20.6%
Canadian equities	33.2%	26.5%
Foreign equities and other	41.9%	51.3%
Total	100.0%	100.0%

Investments held for other purposes are invested in a mix of GICs and investment savings accounts. Management categorizes certain liquid investments as long-term due to the nature of intent.

	2021	2020
	\$	\$
Endowments	140,868	136,285
Deferred unrealized gain on endowments	25,904	12,299
Investments - other	387,407	181,453
Investments	554,179	330,037

- [b] Investment income included in the consolidated statement of operations is calculated as follows:

	2021	2020
	\$	\$
Net investment income	30,142	10,822
Add (less) amount attributed from/to deferred revenue contributions [note 10]	(6,090)	3,318
Less amount attributed to deferred capital contributions [note 11]	(4)	(55)
Less amount attributed to endowment capital preservation [note 12]	(3,179)	–
Less unrealized investment gain [note 10]	(12,904)	(2,232)
Investment income recognized during the year	7,965	11,853

Investment income earned is net of management fees of \$448 [2020 - \$416].

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

4. EMPLOYEE FUTURE BENEFITS

The University has defined benefit plans, being the Ryerson Retirement Pension Plan, Total Earnings Supplementary Plan and the Supplemental Retirement Pension Plan. Other defined benefit plans provide other retirement and post-employment benefits to most of its employees. Certain faculty are members of the Teachers' Superannuation Fund, a multi-employer defined benefit plan. Pension indexing has been incorporated in the plans.

The University's pension plans are based on years of service and the average pensionable salary over a consecutive 60-month period. Pension benefits will be increased each year in accordance with the increases to the Consumer Price Index ["CPI"] to a maximum CPI increase of 8%. Any increases in the CPI above 8% will be carried forward and added in years when the CPI is less than 8%.

Other defined benefit plans are for faculty early retirees where the University pays 100% of the premium for medical, dental and life insurance until the age of 65. All retirees after the age of 65 are required to pay their own premiums for medical and dental benefits.

The latest actuarial valuations for the registered pension plans were performed and submitted as at December 31, 2019. The next required actuarial valuation will be on December 31, 2022. The University has a practice of performing annual valuations for accounting purposes for defined benefit plans. The University measures its accrued benefit obligation and the fair value of plan assets as at April 30.

	<u>2021</u>		<u>2020</u>	
	Pension benefit plans	Other benefit plans	Pension benefit plans	Other benefit plans
	\$	\$	\$	\$
Fair value of plan assets	1,569,224	–	1,352,727	–
Accrued benefit obligations	(1,484,673)	(32,958)	(1,347,157)	(25,510)
Employee future benefits asset (liability)	84,551	(32,958)	5,570	(25,510)

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

4. EMPLOYEE FUTURE BENEFITS [continued]

Information about the expense, funding and benefits paid under the University's defined benefit plans is as follows:

	2021			2020		
	Pension benefit plans	Other benefit plans	Total benefit plans	Pension benefit plans	Other benefit plans	Total benefit plans
	\$	\$	\$	\$	\$	\$
Funding by employer	26,695	1,080	27,775	25,324	916	26,240
Defined benefit plans cost (income)	829	2,580	3,409	(9,478)	2,726	(6,752)
Employee future benefits expense	27,524	3,660	31,184	15,846	3,642	19,488
Benefits paid	58,240	1,080	59,320	53,737	916	54,653

The principal actuarial assumptions adopted in measuring the University's accrued benefit obligations and expense for defined benefit plans are as follows:

	2021		2020	
	Pension benefit plans	Other benefit plans	Pension benefit plans	Other benefit plans
	%	%	%	%
Accrued benefit obligation				
Discount rate	7.15	7.15	6.00	6.00
Rate of compensation increase	3.50	3.50	3.50	3.50
Rate of inflation	2.00	–	2.00	–
Benefit cost				
Discount rate	7.15	6.00	6.00	6.00
Rate of compensation increase	3.50	3.50	3.50	3.50
Rate of inflation	2.00	–	2.00	–
Medical costs				
Drug	–	6.25	–	6.40
Hospital	–	4.00	–	4.00
Other medical	–	4.00	–	4.00
Dental	–	4.00	–	4.00

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

4. EMPLOYEE FUTURE BENEFITS [continued]

The updated funding valuation for Ontario registered pension plans now requires the funding defined benefit obligations to include a reserve, referred to as Provision for Adverse Deviation ["PfAD"]. Since the accrued benefit obligations are determined on the funding basis, the pension obligation at the end of the current fiscal period was determined based on a discount rate of 7.15% and was further increased accordingly to reflect an explicit margin of 20.15%. The pension obligation at the end of the prior fiscal period was determined based on a discount rate of 6.00%, which included an implicit margin.

Internally restricted net assets [note 13] for employee future benefits are calculated as follows:

	2021	2020
	\$	\$
Pension benefit plan asset	84,551	5,570
Other benefit plans liability	(32,958)	(25,510)
	51,593	(19,940)

Increase (decrease) to net assets from remeasurement:

	2021			2020		
	Pension benefit plans	Other benefit plans	Total benefit plans	Pension benefit plans	Other benefit plans	Total benefit plans
	\$	\$	\$	\$	\$	\$
Difference between actual asset return and expected return	138,727	–	138,727	(196,807)	–	(196,807)
Actuarial gain (loss) on obligation	(58,917)	(4,868)	(63,785)	–	324	324
Remeasurement	79,810	(4,868)	74,942	(196,807)	324	(196,483)

5. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Student receivable	30,141	29,553
Grants receivable	1,065	2,133
Other receivable	6,978	5,631
	38,184	37,317
Less allowance for doubtful accounts	(2,947)	(2,429)
	35,237	34,888

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

6. NOTES RECEIVABLE

The notes receivable balance includes:

The Palin Foundation, in the amount of \$4,274 [2020 - \$4,589], as outlined in the Student Campus Centre Operating Agreement, which bears interest at 5.93% per annum.

The repayment period will continue until January 2031 as follows:

	\$
2022	334
2023	354
2024	376
2025	399
2026	423
Thereafter	2,388
	4,274
Less current portion	(334)
	3,940

Total interest earned during fiscal 2021 is \$264 [2020 - \$282] and principal repayments received during the year totalled \$315 [2020 - \$296].

7. CAPITAL ASSETS

Capital assets consist of the following:

	2021			2020		
	Cost \$	Accumulated amortization \$	Net book value \$	Cost \$	Accumulated amortization \$	Net book value \$
Land	523,554	–	523,554	523,554	–	523,554
Buildings	804,272	261,723	542,549	803,498	241,354	562,144
Equipment and furnishings	499,430	360,645	138,785	457,378	334,724	122,654
Library books	35,577	32,977	2,600	34,075	31,735	2,340
Leasehold improvements	42,390	22,752	19,638	39,251	18,813	20,438
Capital projects in progress	23,925	–	23,925	30,881	–	30,881
	1,929,148	678,097	1,251,051	1,888,637	626,626	1,262,011

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

7. CAPITAL ASSETS [continued]

The change in net book value of capital assets is due to the following:

	2021	2020
	\$	\$
Balance, beginning of year	1,262,011	1,249,473
Purchase of capital assets financed by debt	–	–
Purchase of capital assets internally financed [note 14[b]]	27,851	45,956
Purchase of capital assets funded by deferred capital contributions	12,660	14,584
Less amortization of capital assets [note 14[b]]	(51,471)	(48,002)
Balance, end of year	1,251,051	1,262,011

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$5,047 [2020 - \$4,331], which includes amounts payable for harmonized sales tax and payroll-related taxes.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS

[a] Long-term debt consists of the following:

	2021	2020
	\$	\$
Facilities Expansion Loan [the "TD Loan"] A variable rate loan with interest only payable up to July 2, 2014, principal and interest payable thereafter. The loan bears interest at the bank's cost of funds in effect for term loans from time to time plus 1.150%. The loan matures on July 3, 2034	100,051	104,926
Facilities Expansion Loan [the "BMO Loan"] A variable rate loan with interest and principal payable monthly. The loan bears interest at the bank's cost of funds in effect for term loans from time to time plus 0.225%. The loan matures on January 2, 2024	39,027	41,970
Debenture Senior unsecured, series A debentures, bearing fixed interest at 3.768% per annum, repayable semi-annually, with final installment due on October 11, 2057	130,000	130,000
Compass Group Canada Agreement This agreement comprises two non-interest bearing components: a capital investment fund, amortized on a straight-line basis over 10 years with monthly principal payments; and depreciable value-adds, depreciated over 10 years. The unpaid principal balance and undepreciated value-adds, respectively, are payable on the date of expiry. The original agreement expires on August 26, 2025 with an option to extend	1,977	—
Other project	100	100
	271,155	276,996
Less current portion	(8,550)	(7,818)
	262,605	269,178

Of the total long-term debt of \$271,155, \$269,178 (2020 - \$276,996) was drawn to finance capital.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

The long-term debts are unsecured; however, in the event of default, the bank and lenders may impose additional requirements.

The fair value of the long-term debt, except for debentures, approximates its carrying value as the rates fluctuate with bank prime.

The following are the future minimum annual debt principal repayments due over the next five fiscal years and thereafter:

	\$
2022	8,550
2023	9,041
2024	9,536
2025	10,102
2026	10,690
Thereafter	223,236
	<hr/> 271,155 <hr/>

Total interest expense on long-term debt for the year ended April 30, 2021 was \$13,063 [2020 - \$12,266], which excluded capitalized interest of \$nil [2020 - \$1,205].

[b] Derivative financial instruments:

The University has in place two Interest Rate Swap Agreements ["Agreements"]. The BMO agreement will expire on January 1, 2031, and the TD agreement will expire on July 4, 2034. Under the terms of the Agreements, the University agrees with the counterparty to exchange, at specified intervals and for a specified period, its floating interest on the BMO Loan and TD Loan [note 9[a]] for fixed interest of 5.705% for the BMO Agreement and 4.675% for the TD Agreement calculated on the notional principal amount of each loan, respectively. The use of the swaps effectively enable the University to convert the floating rate interest obligations of the loans into fixed rate obligations and thus, manage its exposure to interest rate risk.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

The notional amount of the loan and the fair value of the derivative liability are as follows:

	2021		2020	
	Notional loan amount \$	Fair value of swap \$	Notional loan amount \$	Fair value of swap \$
Interest rate swap:				
BMO	39,027	(8,354)	41,970	(11,520)
TD	100,051	(19,887)	104,926	(29,234)
	139,078	(28,241)	146,896	(40,754)
Less current portion:				
BMO	–	(1,992)	–	(2,075)
TD	–	(4,150)	–	(4,177)
	139,078	(22,099)	146,896	(34,502)

The change in fair values of the interest rate swaps for the year ended April 30, 2021 was \$12,513 [2020 - (\$9,370)].

10. DEFERRED REVENUE CONTRIBUTIONS

Deferred revenue contributions represent unspent externally restricted grants and donations for research and other specific purposes. The changes in the deferred revenue contributions balance were as follows:

	2021 \$	2020 \$
Balance, beginning of year	115,133	99,689
Grants and donations received	390,164	152,668
Unrealized investment gain	12,904	2,232
Add (less) amount attributed to/from investment income	6,090	(3,318)
Amount recognized as revenue	(209,987)	(136,138)
Balance, end of year	314,304	115,133

Deferred revenue contributions include restricted funding from the Government of Canada's Future Skills Program of \$26,211 [2020 - \$14,056], cumulatively, and revenue recognized \$77,452 [2020 - \$45,656] year to date. The Future Skills Centre hosted by Ryerson University which is a consortium whose members are Ryerson University, Blueprint ADE, and the Conference Board of Canada. Deferred revenue contributions also included restricted funding from Magnet Student Work Placement Program of \$153,389 [2020 -\$5,075], cumulatively, and revenue recognized \$43,333 [2020 - \$15,136] year to date. The Government grants and contracts for restricted purposes revenue is \$191,126 [2020 - \$118,382].

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized and unspent amounts of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations over the estimated useful lives of the capital assets. The changes in the deferred capital contributions balance were as follows:

	2021	2020
	\$	\$
Balance, beginning of year	269,475	273,243
Grants and donations received	15,668	8,445
Investment income	4	55
Amortization of deferred capital contributions <i>[note 14[b]]</i>	(13,567)	(12,268)
Balance, end of year	271,580	269,475

The balance of deferred capital contributions related to capital assets consists of the following:

	2021	2020
	\$	\$
Unamortized deferred capital contributions		
used to purchase capital assets <i>[note 14[a]]</i>	266,609	267,516
Unspent deferred capital contributions	4,971	1,959
	271,580	269,475

12. ENDOWMENTS

Endowments consist of internally and externally restricted donations and grants received by the University. The endowment principal is required to be maintained intact, with the investment income generated used for the purposes established by donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided. The University has established a policy with the objective of protecting the real value of the endowments. The amount of income made available for spending is prescribed annually and an amount is added to endowment net assets for capital preservation. The changes in the endowment fund balance were as follows:

	2021	2020
	\$	\$
Endowment balance, beginning of year	136,285	135,619
Donations received - externally restricted <i>[note 15]</i>	1,173	665
Donations received - internally restricted <i>[note 15]</i>	140	1
Capital preservation - externally restricted <i>[note 3[b]]</i>	3,179	—
Capital preservation - internally restricted	90	—
Endowment balance, end of year	140,867	136,285

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

12. ENDOWMENTS [continued]

The accumulated internally restricted endowment for the year ended April 30, 2021 was \$3,660 [2020 - \$3,430].

13. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represent unspent funds which have been committed for specific purposes to enhance the University's operations, including its facilities, equipment, and information technology.

Internally restricted net assets - carryforwards have been designated for the following purposes:

	2021	2020
	\$	\$
Investment in capital assets [a, note 14[a]]	715,264	717,499
Employee future benefits [b, note 4] - Pension	84,551	5,570
Other	(32,958)	(25,510)
	<u>766,857</u>	<u>697,559</u>
Professional development fund [c]	2,563	2,173
Capital projects [d]	81,475	68,637
Student assistance and related funds [e]	21,546	22,393
Academic priorities, growth and internal research [f]	106,363	119,604
Department carryforwards [g]	105,486	103,760
Information Technology and other initiatives [h]	57,532	39,391
One time only specific budget allocations [i]	17,187	14,688
	<u>392,152</u>	<u>370,646</u>
	<u>1,159,009</u>	<u>1,068,205</u>

[a] Investment in capital assets represents the unamortized value of capital assets funded by the University, net of outstanding debt. It excludes those amounts funded through capital contributions.

[b] Employee future benefits balance represents the surpluses or deficits associated with the pension and other benefit plans.

[c] Professional development fund represents unspent funds of individual members of the Ryerson Faculty Association, as provided by their collective agreement.

[d] Capital projects represent internally restricted funds for university-wide and ancillary operations in support of deferred maintenance, renovations and capital projects, either planned or in progress.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

13. INTERNALLY RESTRICTED NET ASSETS [continued]

- [e] Student assistance and related funds include funds which have been approved as part of the operating budget each year. It also includes the expendable portion of unrestricted donations and endowment fund income. Related funds include various student fees such as the athletic fee, special activities reserve fee, and student services fee.
- [f] Academic priorities, growth and internal research funds represent amounts which have been allocated to the Provost in support of the academic plan, new programs, faculty hiring, graduate provisions and internally funded research and related projects.
- [g] Department carryforwards represent unspent accumulated budgets at the end of the fiscal year. The University has in place a flexible budgeting program, which allows all operating budget units to defer surpluses to the subsequent year(s) in support of department initiatives, projects and plans in the future.
- [h] Information Technology and other initiatives include funds allocated to new enterprise systems and other technological initiatives. This also includes several centrally held reserves for university wide specific projects, self-insurance, security and safety initiatives, faculty and staff benefits and training.
- [i] One time only budget allocations approved for specific initiatives including funds held for potential COVID-19 related costs or losses.

14. INVESTMENT IN CAPITAL ASSETS

- [a] Net assets invested in capital assets, which represent internally financed capital assets, are calculated as follows:

	2021	2020
	\$	\$
Capital assets [note 7]	1,251,051	1,262,011
Less long-term debt [note 9[a]]	(269,178)	(276,996)
Less unamortized deferred capital contributions [note 11]	(266,609)	(267,516)
	<u>715,264</u>	<u>717,499</u>

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

14. INVESTMENT IN CAPITAL ASSETS [continued]

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

	2021	2020
	\$	\$
Purchase of capital assets internally financed [note 7]	27,851	45,956
Repayment of long-term debt principal [note 9[a]]	7,818	7,394
	35,669	53,350
Amortization of deferred capital contributions [note 11]	13,567	12,268
Less amortization of capital assets [note 7]	(51,471)	(48,002)
	(37,904)	(35,734)
	(2,235)	17,616

15. DONATIONS

Donations recognized are calculated as follows:

	2021	2020
	\$	\$
Donations received	26,662	18,132
Less: donations to endowments [note 12]	(1,313)	(666)
Less: donations restricted for capital purposes	(4,502)	(1,975)
Less: donations restricted for other purposes	(6,351)	(1,567)
	14,496	13,924
Unrestricted donations	3,188	970
Restricted donations spent	11,308	12,954
	14,496	13,924

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2021

16. COMMITMENTS

[a] The estimated cost to complete construction and renovation projects in progress as at April 30, 2021, which will be funded by government grants, donations and operations, is \$24,974 [2020 - \$21,630].

[b] The operating contribution to the Student Campus Centre is approximately \$460 per year.

[c] The following are the future minimum annual operating lease payments due over the next five fiscal years and thereafter:

	\$
2022	7,437
2023	6,665
2024	4,039
2025	2,718
2026	2,606
Thereafter	8,920
	<hr/> 32,385 <hr/>

[d] The University is contingently liable in the amount of \$5,300 with respect to letters of guarantee issued.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

17. CONTINGENT LIABILITIES

- [a] In 2018, the University renewed its agreement with the Canadian Universities Reciprocal Insurance Exchange ["CURIE"] for a period of five years, ending January 1, 2023. CURIE is a pooling of the property damage and public liability insurance risks of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses.
- [b] The University is involved from time to time in litigation, which arises in the normal course of operations. With respect to claims as at April 30, 2021, the University believes it has valid defences, funded provisions and/or appropriate insurance coverage in place. In the unlikely event any claims are successful, such claims are not expected to have a material effect on the University's consolidated financial position.

18. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

The net change in non-cash working capital balances related to operations consists of the following:

	2021	2020
	\$	\$
Accounts receivable	(349)	(701)
Prepaid expenses	710	67
Inventories	360	(662)
Accounts payable and accrued liabilities	10,912	(26,181)
Deferred revenue	7,972	1,865
	<u>19,605</u>	<u>(25,612)</u>

19. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments approximate their carrying values unless otherwise noted.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

20. FINANCIAL RISK MANAGEMENT

The University is exposed to various financial risks through transactions in financial instruments.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. All of the University's pooled fund investments, held from time to time, are considered to be readily realizable as they are listed on recognized stock exchanges and can be quickly liquidated at amounts close to their fair value in order to meet liquidity requirements.

Interest rate risk:

The value of fixed income securities, held from time to time, will generally rise if interest rates fall and fall if interest rates rise. The value of securities will vary with developments within the specific companies or governments which issue the securities.

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The University is exposed to credit risk with respect to investments and accounts receivable. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Market risk:

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The University manages the market risk of its investment portfolio by investing in pooled funds in a widely diversified group of asset classes managed by external investment managers.

Foreign exchange risk:

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

21. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT

The Ministry of Colleges and Universities ["MCU"] requires separate reporting of balances and details of changes in balances for the two phases of the Ontario Student Opportunity Trust Fund ["OSOTF I and II"] and the Ontario Trust for Student Support ["OTSS"]. The required government reporting for each is as follows:

[a] The following is the schedule of changes for the year ended April 30 in the first phase of the OSOTF I balance, which is included in the endowment balance [note 12]:

	2021	2020
	\$	\$
Endowment balance at cost, beginning of year	8,716	8,624
Cash donations received	6	64
Capital preservation	–	28
Endowment balance at cost, end of year	8,722	8,716
Cumulative unrealized gain	3,188	2,004
Endowment balance at market, end of year	11,910	10,720

The following is the schedule of changes for the year ended April 30 in the OSOTF I expendable funds available for awards. The balance is included in deferred revenue contributions [note 10]. Investment income, net of direct investment-related expenses represents the balance made available for spending by the University during the year in accordance with its policy.

	2021	2020
	\$	\$
Expendable balance at cost, beginning of year	–	–
Investment and other income, net of direct investment-related expenses	364	356
Bursaries awarded	(387)	(240)
Unspent balance transfer to stabilization account	23	(116)
Expendable balance at cost, end of year	–	–
Number of bursaries awarded	393	190

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

21. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes for the year ended April 30 in the OSOTF I Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as deferred revenue contributions [note 10].

	2021	2020
	\$	\$
Stabilization funds balance at cost, beginning of year	1,521	1,715
Investment income (available) not available for spending and capital preservation	329	(310)
Unspent balance transfer from expendable accounts	(23)	116
Stabilization funds balance at cost, end of year	1,827	1,521

[b] The following is the schedule of changes for the year ended April 30 in the second phase of the OSOTF II balance, which is included in the endowment balance [note 12].

	2021	2020
	\$	\$
Endowment balance at cost, beginning of year	3,967	4,045
Cash donations received	3	(50)
Capital preservation	–	(28)
Endowment balance at cost, end of year	3,970	3,967
Cumulative unrealized gain	1,466	926
Endowment balance at market, end of year	5,436	4,893

The following is the schedule of changes for the year ended April 30 in the OSOTF II expendable funds available for awards. The balance is included in deferred revenue contributions [note 10]. Investment income, net of direct investment-related expenses, represents the balance made available for spending by the University during the year in accordance with its policy.

	2021	2020
	\$	\$
Expendable balance, beginning of year	–	–
Investment and other income, net of direct investment-related expenses	165	159
Bursaries awarded	(145)	(118)
Unspent balance transfer to stabilization accounts	(20)	(41)
Expendable balance, end of year	–	–
Number of bursaries awarded	88	66

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

21. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes for the year ended April 30 in the OSOTF II Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as deferred revenue contributions [note 10].

	2021	2020
	\$	\$
Stabilization funds balance at cost, beginning of year	611	711
Investment income (available) not available for spending and capital preservation	150	(141)
Unspent balance transfer from expendable accounts	20	41
Stabilization funds balance at cost, end of year	781	611

- [c] The Government of Ontario requires separate reporting of balances as at March 31, 2021 and details of the changes in the balances for the period then ended in connection with the OTSS fund, which is included in the endowment balance [note 12].

The following is the schedule of donations received between April 1 and March 31:

	2021	2020
	\$	\$
Cash donations	—	—
Unmatched cash donations	300	55
Total cash donations	300	55

The following is the schedule of changes in endowment balance of OTSS for the period from April 1 to March 31:

	2021	2020
	\$	\$
Endowment balance at cost, beginning of year	50,849	50,794
Eligible cash donations received	300	55
Capital preservation and others	—	—
Endowment balance at cost, end of year	51,149	50,849
Cumulative unrealized gain	16,967	8,225
Endowment balance at market value, end of year	68,116	59,074

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

21. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes in expendable funds available for awards of OTSS for the period from April 1 to March 31. Investment income, net of direct investment-related expenses, represents the balance made available for spending by the University during the year in accordance with its policy.

	2021	2020
	\$	\$
Expendable balance, beginning of year	269	277
Investment and other income, net of direct investment-related expenses	2,099	2,022
Bursaries awarded	(2,030)	(1,966)
Unspent balance transfer to Stabilization account	(78)	(64)
Expendable balance, end of year	260	269
Number of bursaries awarded	646	611

The following is the schedule of changes for the period from April 1 to March 31 in the OTSS Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as a deferred revenue contribution [note 10].

	2021	2020
	\$	\$
Stabilization funds balance at cost, beginning of year	7,889	7,628
Investment and other income not available (available) for spending	2,125	197
Unspent balance transfer from expendable account	78	64
Stabilization funds balance at cost, end of year	10,092	7,889

OTSS awards issued for the period from April 1, 2020 to March 31, 2021:

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	#	\$ (In dollars)	#	\$ (In dollars)	#	\$ (In dollars)
Full-Time	427	1,204,837	79	362,859	506	1,567,696
Part-Time	58	155,711	82	306,579	140	462,290
Total	485	1,360,548	161	669,438	646	2,029,986

RYERSON UNIVERSITY

Notes to Consolidated Financial Statements [continued]
[In thousands of dollars]

Year ended April 30, 2021

22. COVID-19

In March 2020, the World Health Organization declared the spread of coronavirus ["COVID-19"] to constitute a global pandemic. This resulted in governments enacting emergency measures to combat the spread of the virus including travel restrictions in and out of and within Canada, imposing limitations on social gatherings, requiring people to stay at home, closure of all non-essential workplaces as well as the halting of in person instruction at all post-secondary institutions. These restrictions impacted the operations of the University, resulting in a move to an essential services model, to continue the delivery of functions critical to organizational priorities and student programs. University instruction and courses for students continued through alternate delivery models, with all semesters moved to virtual delivery.

The impact of COVID-19 continues to be dynamic and depends on future developments, including the ultimate duration, geographic scope of related travel advisories and restrictions and extent of disruptions to businesses globally and its related impact on the economy. The extent of adverse effects on the University's business and financial and operational performance are therefore uncertain and difficult to assess.

During 2021, the levels of on-campus activity were significantly reduced in the year and consequently the ancillary revenues for residence, parking and food service operations decreased significantly due to limited activities on campus. Also, there was increased risk exposure to investments that were subject to significant financial market volatility and declines experienced in the fair value of investments towards the end of fiscal 2020. The financial markets have continued to generate strong returns through the remainder of fiscal 2021, resulting in an improvement in the fair value of the University's long-term investments in the endowment fund and pension plan at the end of fiscal 2021. It is uncertain whether market volatility relating to COVID-19 will occur again in the near future.

Management has assessed the going concern assumptions and believes that there are no issues given the University has enrolment management monitoring, strong working capital base, and access to sufficient internally restricted reserves and liquid resources to support operations in the coming year. Given the outcome and timeframe to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect on future operations at this time.

23. SUBSEQUENT EVENT

On May 4, 2021, the University issued senior unsecured series B debentures amounting to \$250,000 bearing fixed interest at 3.542% per annum, repayable semi-annually, with the final installment due on May 4, 2061.