

ANNUAL REPORT

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MESSAGE FROM THE PRESIDENT

When Durham College (DC) launched its new mission – Together we're leading the way – in May 2020, there was a lot of uncertainty in the world. The COVID-19 pandemic was in its early stages and no one could be sure what the coming weeks would bring. Despite the challenges we have all faced, as an institution, we have been living our mission each and every day.

Students have demonstrated incredible resilience as they've adapted to online learning and adjustments to their course structure and delivery. With unwavering commitment to their jobs and ensuring success for our learners, faculty have been innovative in their teaching methods, finding new ways to adhere to COVID restrictions while also keeping experiential learning at the forefront of the DC experience. Support for employees and students also shifted online while still maintaining the college's excellent service level and open, responsive communication.

Partnerships with key organizations and corporations have continued, benefitting both parties and supporting education, training and skills development. Innovative applied research projects have also been completed, while others launched, including those focused on solving challenges related to the pandemic using DC's faculty, students and expertise.

As much as things have changed, so many of the hallmarks of what make the college one of Canada's leading post-secondary institutions, remain the same – we continue to grow in terms of infrastructure and programming that are responsive to industry needs and demands, our focus on transformative education is unwavering, and our mission, vision and values, as well as our four strategic pillars and goals, continue to underscore every decision we make, guiding us forward.

We are looking to the future prepared with new knowledge and practices that will continue to serve us well, regardless of how DC offers its programs. While the past year hasn't been without its challenges, we are emerging stronger than ever, with a focus on continuing to lead the way, alongside the entire DC community.



Sincerely,

Don Lovisa
President, Durham College

WORDS WE LIVE BY

MISSION

Together, we are leading the way.

VISION

Inspiring learners to create success for themselves and their communities through the best in innovative and transformative education.

VALUES

- » Collaboration
- » Diversity & Inclusion
- » Excellence
- » Innovation
- » Integrity
- » Respect
- » Social Responsibility

OUR PILLARS

OUR STUDENTS

Goal: to educate and inspire students to realize success in their careers and community.

We will:

- » Deliver high-quality programs that reflect labour markets and are responsive to emerging economies.
- » Provide exceptional learning experiences that create opportunities for students to build resilience, competence, personal capacity and life-enhancing skills.
- » Foster the development of durable skills that are transferable across all industries and workplaces.
- » Champion experiential learning, global engagement and applied research opportunities.
- » Cultivate relationships with students that extend beyond graduation.
- » Advocate for the necessity and value of life-long learning.

OUR PEOPLE

Goal: to invest in our employees and empower them to be entrepreneurial, innovative and strategic.

We will:

- » Attract and retain individuals who are highly qualified, creative and collaborative.
- » Foster a culture where all employees are inspired to exemplify our mission, vision and values.
- » Ensure a positive and inclusive work environment that is diverse, respectful and representative of our community.
- » Develop and implement strategies and practices that support the health and wellness of our employees.
- » Leverage the expertise of our employees to make meaningful contributions to student learning and the community.
- » Provide professional development and global outreach opportunities that enhance the skills and knowledge of our employees.

OUR WORK

Goal: to be a leader in teaching and learning while responsibly managing resources, ensuring good governance and strategically investing in the future.

We will:

- » Foster an environment that inspires idea generation, bold leadership and purposeful innovation that are consistent with the evolution of work.
- » Lead the development of transformational programs, services and systems that enhance the student experience.
- » Be at the forefront of evolving teaching, learning and applied research practices.
- » Reimagine and grow our facilities to be more flexible, accessible and progressive.
- » Optimize resources and processes in all aspects of our business.

OUR COMMUNITY

Goal: to drive the economic, social and environmental success of our community, locally and globally.

We will:

- » Establish and strengthen meaningful partnerships with industry, government, community and alumni to ensure our programs are leading-edge.
- » Expand volunteer opportunities for employees and students to gain a deeper connection to our community.
- » Leverage and grow our positive impact on the community to help it prosper and diversify.
- » Respect our community by leading environmental stewardship and building social inclusion, while contributing to economic success.
- » Strengthen our relationships with Indigenous communities.

HIGHLIGHTS FROM THE PAST YEAR

In times of change and transformation, like we've experienced this past year, it's important to have a solid foundation to build on. For DC, the words we live by are reflected in our mission, vision, values, and the pillars that are vital to our success as an institution. These pillars – our students, people, work and community – keep us focused on where we want to lead the way.

The following stories highlight the college's achievements and success in each of these areas. It may have been a year unlike any other, but our commitment to innovation in teaching and learning, coupled with strong local and global partnerships, have ensured DC continues to thrive.

OUR STUDENTS

MUSIC BUSINESS MANAGEMENT STUDENTS RECEIVE 2021 SHINE! MUSIC BURSARY

Taking their place in the spotlight, three Music Business Management students – one graduate and two currently enrolled – are recipients of the 2021 SHINE! Music Bursary. Second-year students Whitney Otis and Kailey Haskell along with Alexa Michaels, who graduated from the program in 2017, received the awards at the 2021 SHINE! Concert on March 7.

Established in 2010, the SHINE! Music Bursary is an external financial assistance award aimed at supporting young musicians looking to further their study of traditional or folk music. Originally named the Jim Fay Music Bursary, the award has evolved over time in memory of four influential contributors to the Greater Toronto Area's music scene, including:

- » Jim Fay – Irish-born guitar and mandolin player
- » James Gray – musician and long-time keyboard player for Blue Rodeo
- » Doug Queen – musician, singer and song-writer, and member of the bluegrass band Jughead ("Hockey Song")
- » Bruce Adamson – lead guitarist of Staggered Crossing

Funding for the bursary is raised through the annual SHINE! Concert as well as generous donations from individuals and groups. Now in its 12th year, the concert was streamed virtually due to COVID-19. DC's Alexa and Whitney were two of four recipients to join this year's lineup and performed on the virtual stage.

"Quite often, financial barriers can cause disruptions in the continued practice or study of music," explains Marni Thornton, professor, School of Media, Art & Design. "Financial assistance awards, such as the SHINE! Music Bursary, can make all the difference for those hoping to forge a future in music."

Youth between the ages of 16 to 24 can apply to the bursary each year, with award amounts ranging between \$500 and \$2,000, to support opportunities for aspiring musicians to advance their careers, such as album releases and additional coaching.

"We are thrilled that the college and SHINE! found each other," says Ian Newall, chair, SHINE! Music Bursary. "Durham College has an innovative program that produces keen musicians and I look forward to meeting new applicants in the future."

DC'S ENACTUS TEAM WINS 2021 CENTRAL CANADA REGIONAL CHAMPIONSHIP

Their hard work paid off as the DC Enactus team, EnactusDC, won its first-ever regional championship at the 2021 Enactus Canada Regional Exposition in the Scotiabank Climate Action Challenge, for Project 3eeHive.

A branded apparel social enterprise, Project 3eeHive is focused on education, empowering consumers, and collectively restoring bee habitats.

"I'm extremely proud of our team's commitment this year despite the obstacles we faced," said Heather Brown, student president of EnactusDC, who just finished her third year with the team. "Because of COVID we had to shift to virtual operations in March 2020 and were one of the few student Enactus teams to continue operating during the pandemic. However, the culture we've built has kept us going. This win reinforces our commitment to the competition, as well as social enterprise, and demonstrates our drive to make sustainable change."

The team then moved on to the Enactus National Exposition, where 66 teams from colleges and universities across Canada will compete.

"Being a member of the DC Enactus team has been an incredible opportunity for me to put everything I've learned from my program to the test," said Cameron Billingham, a second-year Photography student. "It's been a fantastic way for me to meet and work with a great group of people and I'm excited for the next stage of the competition."

Enactus is an international non-profit dedicated to creating social change through entrepreneurship. DC's chapter launched in 2016 through FastStart DC and is comprised of student leaders looking to make positive social impacts in the community.



DC ADVERTISING STUDENTS SUPPORT DRPS HUMAN TRAFFICKING AWARENESS CAMPAIGN

As part of its effort to provide the best student experience, DC fosters strong connections with a variety of local partners, offering students the opportunity to put theory into practice while completing their programs. In the School of Media, Art & Design (MAD), students learn to establish and maintain client relationships by collaborating with community partners, quite often on real-life challenges and opportunities.

One such partnership led to a creative solution that helped address a serious issue – human trafficking. Through a collaboration with the Durham Regional Police Services (DRPS) Human Trafficking Unit (HTU), Advertising and Marketing Communications students worked to raise awareness in the community with the design and creation of an informative hotel card.

“The Advertising and Marketing Communications program prides itself in providing promotional support to local business, not-for-profit and public service sectors. For this reason, a key component of the curriculum has students working alongside community partners to develop and implement effective communication strategies and programs,” says Dawn Salter, professor and program coordinator, School of Media, Art & Design.

Human trafficking involves the use of force, coercion or fraud to influence the movements of a person, typically through sexual exploitation or forced labour. Unfortunately, a number of human trafficking cases occur in our very own

community, with aggressors often operating in local hotels throughout Durham Region.

Victims of human trafficking often have no possessions and are left to spend time alone in hotel rooms. As part of a DRPS initiative, DC students Lauren Crumme and Raphael Maturine leveraged input from over 50 of their peers to develop an ingenious solution that provides vital information to victims but can go undetected by traffickers. Disguised to look like a spa brochure, the students created a hotel card for victims that contains important information for various support services, in a subtle, yet impactful way.

“It was amazing to see how addressing a real-life, close-to-home matter sparked such interest and enthusiasm among the students,” says Dawn. “The opportunity to be part of an important initiative and make a valuable contribution to their community made such an impact. Involvement meant so much more than just getting a good grade.”

MAD has been fortunate to work with the DRPS human trafficking unit since 2019, and has hosted HTU members and survivors as guest speakers on a number of occasions to raise awareness.



Know the Signs of Human Trafficking - RESOURCES: STOPHT.com - Durham Regional Police 905-579-1520 ext 4888
victimservicesdurham.ca 905-721-4226 - Crime Stoppers 1-800-222-TIPS - durhamregionalcrimestoppers.ca



Would you like to...

- | | |
|---|-----------|
| • Give up your access to a personal cell phone or ID? | Yes or No |
| • Avoid contact with family and friends? | Yes or No |
| • Report whereabouts at all times? | Yes or No |
| • Be threatened when refusing to act a certain way? | Yes or No |
| • Give up your freedom to schedule activities? | Yes or No |
| • Hand over all your earnings? | Yes or No |



Durham Regional
CRIME STOPPERS



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victimservicesdurham.ca 905-721-4226 - Crime Stoppers 1-800-222-TIPS - durhamregionalcrimestoppers.ca

OUR PEOPLE

TWO DC PROFESSORS RECEIVE MINISTER OF COLLEGES AND UNIVERSITIES' AWARDS OF EXCELLENCE

Leading the way in their respective fields, Edward Logan, a professor in DC's post-secondary and apprenticeship plumbing programs, and Chris Daniel, a professor in the Mechanical Engineering Technology program and faculty advisor with DC's FastStart entrepreneurship team, have both received a Minister of Colleges and Universities' Award of Excellence for their dedication to the local community, their students and the broader post-secondary sector during the COVID-19 pandemic.

Edward Logan – creating virtual Community of Practice events

Edward, who was nominated by Dr. Rebecca Milburn, executive dean of the School of Skilled Trades, Apprenticeship & Renewable Technology, demonstrated his Ontario spirit by organizing two national virtual Community of Practice (CoP) events for plumbers and skilled trades faculty.

Created with the goals of bringing educators together, making the online experience better for students, forging new relationships, and sharing best practices for online delivery, each CoP saw professors from across Canada and the United States come together to share ideas, best practices, and further examine their roles as educators. Given the initial success of the sessions, there are plans to continue in the future.

Chris Daniel – using 3D printers to support frontline workers

Nominated by Michelle Hutt, executive dean of the School of Science & Engineering Technology, Chris jumped into action when the pandemic struck by spearheading a team of 65 volunteers including college students, employees, alumni and community members, who used 3D printers to create the frames for PPE face shields used by healthcare workers on the frontlines battling COVID-19.

At the height of production, 83 rapid prototyping machines were running across Durham Region and a GoFundMe page was established, which ultimately raised \$15,918.32. In total, Chris' 3D printing team produced 6,350 face shield headbands, as well as 32,700 ear savers. In addition, a \$441.66 donation was made to the Lakeridge Health Foundation.

DC is incredibly proud of both professors and extends its congratulations on their achievement. Their commitment to their trades, students and post-secondary education are shining examples of the college's new mission in action – Together we're leading the way.

Developed to honour the work being done by professors and instructors at Ontario's publicly-assisted, Indigenous and private post-secondary institutions during COVID-19, the Minister of Colleges and Universities' Awards of Excellence celebrate the incredible work of professors and instructors on campus, in the community and beyond.

DC RESEARCHER LEADS CO-DESIGN OF YOUTH-LED HOUSING HUB MODEL FOR YOUTH LIVING ON THEIR OWN

Old enough to live on their own but too young to receive social assistance directly, Ontario's Trusteed Youth (TY) face challenges no child should.

Through a two-year research project funded by the Social Sciences and Humanities Research Council through the College and Community Social Innovation Fund, DC researcher Lorraine Closs found that TY often face precarious housing situations and homelessness, food insecurity, mental and physical health concerns and more. These issues are largely due to the challenge of navigating a complex and overburdened social services system and lack of safe and affordable housing options.

TY represent a unique and particularly vulnerable population, relying on a community agency to act as their "trustee" so they can collect Ontario Works

assistance. They live alone without the opportunity to approach independence in a gradual and supported manner, and lack suitable role models and guidance that would generally be provided in a family setting.

Established in partnership with the Regional Municipality of Durham, Durham District School Board, Durham Mental Health Services, Boys and Girls Club of Durham, and the John Howard Society of Canada, the DC applied research project has resulted in the development of a ground-breaking alternative housing hub model co-designed for youth, by youth. It has also provided valuable insight into how the system can best meet the needs of TY while informing future policy recommendations for supporting youth living on their own.

"By directly involving trusted youth in the development of this housing hub, we were able to support their needs, while also helping them improve their knowledge of the service system and increase their sense of personal competency and possibilities for the future," said Closs, who also teaches at the college in the Social Service Worker program. "It's our hope that the insights and recommendations developed as a result of this valuable research will help inform service design and delivery here at home and across the country, and that this project will become a catalyst in ensuring brighter futures for our trusted youth."

During the project, Closs gathered survey feedback from 43 current TY, as well as 30 service providers from 22 agencies across the region to better understand the obstacles facing both groups. With this data, she hosted three in-person co-design sessions and a virtual consensus building session with community service providers and TY. At these sessions, they co-designed the youth housing hub model and strategized policies that would improve the coordination and collaboration of services for youth living on their own.

"The Region of Durham is committed to ending chronic homelessness in our community," said commissioner of social services, Stella Danos-Papaconstantinou. "We know that the needs of youth who experience precarious housing and homelessness are different than those of adults. This research amplifies the voices of vulnerable Durham youth and the service providers working with them to co-design a transitional, supportive housing model. We are grateful for the opportunity to partner with Durham College on this applied research and bring data, rigor and the voice of youth to proposed housing solutions inspired by their experiences."

Other recommendations that came out of the research include:

- » Bundling services for youth by creating school hubs.
- » Creating drop-in style supports to by-pass complex referral and waitlist processes.
- » Intervention services for landlord disputes and funding incentives for landlords who rent to youth.
- » A designated case worker assigned to TY to help navigate the service system.
- » Flexibility around communication options for youth to access service supports.
- » Access to free transportation for youth.
- » Affordable, safe transitional housing options to prevent the onset of chronic homelessness.
- » Improved process for changing schools without parental consent.
- » Life skills guidance for the seamless transition from adolescence to adulthood.
- » Inclusion of youth in the development of youth services.

The full research report, including key findings, implications and recommendations are available to view online, in addition to a short film that was produced to disseminate the findings of the research.

This project was proudly supported by DC's Office of Research Services, Innovation and Entrepreneurship (ORSIE). ORSIE provides support to social innovation projects through access to funding opportunities, faculty expertise, state-of-the-art research facilities, and student learning experiences. In partnership with industry and community agencies, applied research projects are carried out by DC faculty experts and students and administered by ORSIE.

DC EMPLOYEES SHOW SOLIDARITY DURING SCHOLAR STRIKE FOR THOSE WHO HAVE EXPERIENCED ANTI-BLACK AND SYSTEMIC RACISM

In September, academics across North America took part in a two-day Scholar Strike to stand in solidarity with anti-Black racism and police violence protesters in the U.S., Canada and elsewhere.

As part of this collective action event, a group of DC employees contributed their voices to a short video to demonstrate their support for their students, colleagues and all others who have experienced anti-Black and systemic racism.

Produced by Crystal Garvey, a professor in the Nursing – Collaborative Bachelor of Science in Nursing program, the video features statements of solidarity from faculty members across the college as they share their experiences and advocacy while raising their voices in the call to end racial injustice.

DC is proud of its employees and students, and supports the dismantling of systemic barriers faced by the underrepresented Black, Indigenous and People of Colour (BIPOC) community.

In the summer, DC President Don Lovisa signed the BlackNorth Initiative's CEO pledge, joining more than 200 leaders from across Canada who have publicly committed their organizations to taking action to realize specific goals and targets designed to dismantle anti-Black systemic racism and create opportunities for the BIPOC community.



OUR WORK

DC LAUNCHES TWO NEW DEGREE PROGRAMS AND GRADUATE CERTIFICATE FOR IN-DEMAND JOBS

DC received consent from the Ministry of Colleges and Universities to offer two new degree programs which will address labour shortages being experienced in two of Canada's hottest job sectors – construction management and artificial intelligence.

Following the success of DC's first degree programs launched in 2017 and 2019, the new Honours Bachelor of Construction Management (HBCM) and Honours Bachelor of Artificial Intelligence (HBAI) degrees welcomed the first class of students in September 2021.

"Now more than ever, our construction and technology sectors need skilled workers who can take on specialist roles right out of the gate as the infrastructure of both our digital and physical world evolves and advances," says Dr. Elaine Popp, executive vice president, Academic. "Graduates of these degree programs will be in-demand, armed with the necessary skills to create meaningful change in their industries and solve complex, real-world problems while contributing to Ontario's economic future."

The HBCM program is the first DC program to be offered collaboratively across three of the college's academic schools, including the Schools of Skilled Trades, Apprenticeship & Renewable Technology; Science & Engineering Technology; and Business, IT & Management. Through this multi-disciplinary approach, students will gain a firm grounding in the theory, principles, and practices of construction science as well as the business acumen and leadership skills to effectively facilitate the management of construction projects to successful completion, with the opportunity to synthesize their learning through two 14-week field placements.

Offered through BITM, students in the HBAI program will focus on learning technical theory with an emphasis on Machine Learning and Deep Learning, as well as the legal, social and corporate responsibility that comes with designing and developing AI-driven solutions. A field placement and capstone project will guide students in project management and assist in the development of critical and analytical thinking skills.

"The next generation of graduates are entering a workforce that requires a unique skillset – one that favours innovation, leadership and problem-solving," says Don Lovisa, president. "The work done by our researchers and experts in our AI Hub over the past several years, including launching an AI graduate certificate in 2019, has well-positioned Durham College as the natural choice for training the next cohort of leaders in machine learning and AI implementation. In addition, our excellence in trades education puts the futures of tomorrow's construction professionals in great hands."



DC OPENS ITS DIGITAL DOORS TO MORE THAN 2,700 PROSPECTIVE STUDENTS AT SPRING VIRTUAL OPEN HOUSE

On March 27, more than 2,700 prospective students and their families from 124 countries across the globe got a taste of the DC experience during the college's immersive Virtual Open House event.

Through informative live program information and student support services sessions, visitors had the opportunity to ask questions about DC's more than 140 market-driven programs and learned about financing their education, living on campus, career outcomes and everything in between.

Guided virtual tours of campus spaces, including learning environments, residence and wellness facilities, allowed visitors to envision themselves at DC. Attendees also had the chance to enter to win a \$3,000 tuition credit.

Since the pandemic started, DC has welcomed more than 7,800 visitors to virtual student recruitment events and information sessions, providing the opportunity to create the meaningful is between visitors and DC community members that are a hallmark of the college's pre-pandemic in-person events.

DC SUPPORTING ONTARIO'S WORKFORCE IN ACQUIRING VALUABLE SKILLS WITH NEW MICRO-CREDENTIAL

DC is pleased to launch its latest micro-credential, Ultrasonic Testing Level II. Designed to meet the needs of industry by quickly teaching highly sought-after skills, DC is the only college in Ontario to offer this level of qualifying certification for the in-demand field of Non-Destructive Evaluation (NDE).

Offered through the college's School of Science & Engineering Technology (SET), the development of Ultrasonic Testing Level II micro-credential is an example of the strong link that exists between post-secondary institutions and industry.

"Initially we were approached by Ontario Power Generation (OPG) to offer the ultrasonic testing training to its employees," said Michelle Hutt, executive dean, SET. "As we anticipate the demand for qualified NDE inspectors will continue to grow based on expected retirements and, thanks to the college's expert faculty and specialized laboratory testing equipment, we are well-positioned to teach these skills."

"DC's School of Science & Engineering Technology offers high-calibre training in an industrial setting, led by facilitators who ensure the training meets the type of performance excellence demanded by our industry," said Scott Burns, Vice President, Emergency Services and Training, OPG. "The long-standing educational partnership between OPG and DC continues to add value to our training programs as well as to the skill development of our employees."

After agreeing to train OPG's employees, DC made the decision to offer the Ultrasonic Testing Level II micro-credential more broadly.

"It is important to teach students methods that industry demands they know," said Hutt. "Within the NDE field, employers will not consider job applicants without non-destructive testing (NDT) certification from the Canadian General Standards Board. When compared to other non-destructive testing NDT methods, ultrasonic testing is the most cost-effective, however, it is a skill that requires a specialized learning environment."

Designed to help those studying to be an NDE professional, as well as those currently working in the industry quickly develop their skills, successful completion of the micro-credential will mean that they meet the educational requirements to be eligible to write the Level II Ultrasonic Testing certification exam.

Developed following a rigorous quality assurance process, the micro-credential requires students to complete case studies and hands-on laboratory applications to build their competencies, confidence and employability.

OUR COMMUNITY

DC CELEBRATES SUCCESSFUL CAMPUS FOOD DRIVE

Thanks to the generosity of the DC and Ontario Tech University communities, the 2020 Campus Food Drive raised more than \$22,000 to help 384 students in need.

"In a year like no other, we are grateful for the continued support from our employees and their dedication to our students during the holiday season," says Kevin Griffin, professor in the School of Justice & Emergency Services at DC and co-chair of the Campus Food Drive. "During a particularly challenging year for our students, our employees once again came through – and although we couldn't accept food donations and pack hampers this year, we were still able to support our students through fundraising efforts for the new Campus Food Drive bursary."

The food drive bursary supported qualifying full-time students (married/sole support) with families, and students who are living away from home and experiencing food insecurity.

"Food insecurity is an unfortunate reality for some," says Kevin. "Although the Campus Food Drive efforts may look different moving forward, the goal and the spirit of the initiative remains the same. We hope that this bursary will continue to be an important part of assisting students in need in the future."

The Campus Food Drive is an annual campaign organized by DC and Ontario Tech with support from employees, alumni, students and community members

DC'S AI HUB AND W. GALEN WESTON CENTRE WIN BUSINESS EXCELLENCE AWARD FROM GREATER OSHAWA CHAMBER OF COMMERCE

DC's Hub for Applied Research in Artificial Intelligence for Business Solutions (the AI Hub) and W. Galen Weston Centre for Food (Weston Centre) each received a Business Excellence Award from the Greater Oshawa Chamber of Commerce in the categories of innovation and sustainability, respectively.

The AI Hub's win in the innovation category highlights recent achievements and success in the local tech sector, including the planning and co-ordination of their Enable AI conference, the first of its kind in the Durham Region, and the completion of numerous unique applied research projects for small- and medium-sized businesses.

Winning in the sustainability category, which was launched by Oshawa Power last year, the Weston Centre was recognized for its field-to-fork philosophy, as well as its diverse, environmentally friendly programs and practices. From exploring energy-efficient growing methods, while also addressing the issue of food scarcity, to planting and harvesting seasonal crops to be used in Bistro '67, the college's teaching-inspired restaurant, or in community shared agriculture boxes, sustainability underscores much of the Weston Centre's operations.

"The work undertaken at the AI Hub and Weston Centre enhances all aspects of teaching and learning, while also driving growth and supporting the broader community," said Don Lovisa, president, Durham College. "It is always incredibly gratifying when those efforts are recognized and we want to thank the chamber for its acknowledgement of our innovation and sustainability initiatives."

Accepting the awards on behalf of the college were Kelly O'Brien, general manager, Operations, W. Galen Weston Centre for Food, and Debbie McKee Demczyk, dean, Office of Research Services, Innovation and Entrepreneurship.

"On behalf of the Greater Oshawa Chamber of Commerce, it gives me pleasure to congratulate Durham College on receiving two awards this year at our 25th

Annual Business Excellence Awards," said Nancy Shaw, CEO, Greater Oshawa Chamber of Commerce. "Each clearly represent excellence in education through Durham College. Congratulations!"

The Greater Oshawa Chamber of Commerce Business Excellence Awards were established in 1995 and honour organizations that excel in all areas of business and leadership within the community.

DC AND OPG RENEW SUCCESSFUL LONGSTANDING PARTNERSHIP

DC and Ontario Power Generation's (OPG) continue to champion skilled trades development and training thanks to a \$500,000 donation provided through OPG's Centre for Canadian Nuclear Sustainability (CCNS). The funds are supporting the ongoing construction of DC's Whitby Campus Expansion project.

"We are excited to continue our longstanding relationship with OPG," said Don Lovisa, president, Durham College. "As a key player in the skilled trades industry, they truly understand the importance of training the next generation of tradespeople. In choosing to direct funds to the college's latest capital project, which will see an additional 750 seats added at the Whitby campus, they are helping DC continue our tradition of educational excellence, while also ensuring there is a pipeline of qualified graduates to support the success of the nuclear industry as a whole and help OPG achieve their organizational goals."

OPG recently opened the CCNS, a world-class facility that will attract skilled jobs, innovative businesses, and economic development to the Durham Region. Whether working on collaborative research or planning for the decommissioning of the Pickering Nuclear Generating Station, one of the CCNS goals is to create jobs to benefit Ontario's economy, including a variety of skilled trades roles. As such, supporting DC's efforts to increase its educational capabilities in those related fields, through capital development, is a natural fit.

"OPG and the CCNS is extremely proud to support Durham College's latest capital project," said Carla Carmichael, Vice President, Nuclear Decommissioning Strategies. "Investing in this state-of-the-art facility, designed for hands-on learning, is just the latest milestone in our funding partnership with the college."

In addition to the latest \$500,000 contribution, the 15-year partnership with DC has resulted in more than \$5.5 million to support numerous initiatives and programs throughout the college. These include the development of DC's first-ever Boiler and X-ray labs, funding towards specialized pre-apprenticeship programs, purchasing of specialized equipment and instruments for numerous other technology labs, sponsoring the Young Women in Science Technology and Trades Conference, establishing paid internship and co-op programs at OPG, and funding student scholarships and bursaries.

In return, the college has been able to support OPG through training for its own employees, as they seek to find innovative solutions for the nuclear industry.

"For more than 15 years, DC has played a key role in meeting OPG's needs for well-educated and enthusiastic people to join our company or work on our capital projects, such as the Darlington Station Nuclear Refurbishment Project," said Carmichael. "We believe this investment is beneficial for both entities as it creates opportunities for students, who as graduates will help support the CCNS' mission and sustain a skilled workforce needed for the industry's future projects."



SUCCESS STORIES

RESEARCH

ORSIE WINS BRONZE IN 2020 CICAN AWARDS OF EXCELLENCE

DC's Office of Research Services, Innovation and Entrepreneurship (ORSIE) received bronze in the 2020 Colleges and Institutes Canada (CICan) Awards of Excellence in the Applied Research and Innovation Excellence Award category. CICan is a national organization representing publicly supported colleges, institutes, CEGEPs and polytechnics in Canada and internationally.

"Durham College takes great pride in CICan recognizing our decade of leadership in providing business solutions and student training," said Don Lovisa, president, DC. "Under the leadership of Debbie McKee Demczyk, the ORSIE team continuously demonstrates an incredible ability to anticipate emerging trends and provide consultative, collaborative services that meet the needs of businesses, all while providing significant hands-on learning experiences for students."

The CICan award recognizes ORSIE's extraordinary contributions to the DC campus community and the team's role in supporting social, cultural and economic development at local, provincial, national and global levels. Winners of the Applied Research and Innovation Excellence Award category are selected based on the following criteria:

- » Institutional commitment: evidence within the last five years of commitment in building the institutional capacity to support small and medium-sized enterprises (SMEs) and social innovation in the community.
- » Impact on SMEs: evidence within the last five years of new or improved products, processes, services that enhance profile and market opportunities.
- » Impact on communities and regions: evidence of enhanced collaboration with companies, community partners, local associations and organizations that have a significant and sustainable impact on local or regional innovation.
- » Impact on students: demonstrated application of skills into workplace settings, with a focus on the capacity to engage in innovation and entrepreneurship activities. Must be supported with data.

The long list of ORSIE's accomplishments since it first opened in 2009 includes the launch of four applied research centres on campus – the AI Hub, Centre for Craft Brewing Innovation, Mixed-Reality Capture Studio and Centre for Cybersecurity Innovation – as well as supporting entrepreneurship and social innovation through FastStart and Enactus, which enable students to use their creativity and skills to develop solutions to real-world challenges while contributing to the economic growth of their communities.

"Since ORSIE launched, research at Durham College has accelerated at an exhilarating pace," said Debbie McKee Demczyk, dean, ORSIE. "We entered into 2020 on the wave of success enjoyed last year that saw us achieve all-time highs on an expanding number of initiatives. The dedicated faculty, staff and students continue to demonstrate exceptional hard work and commitment in their pursuit of excellence. Their work is cutting-edge and impactful at every level."

DC RECEIVES FUNDING SUPPORTING ARTIFICIAL INTELLIGENCE ADVISORY SERVICES FOR BUSINESSES

DC's Hub for Applied Research in Artificial Intelligence for Business Solutions (the AI Hub) will receive advisory services and a contribution of up to \$300,000 from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP).

This conditional funding, which started in late 2019 and has since been extended, has allowed the AI Hub to develop technology-based solutions for seven small and medium-sized enterprises (SMEs) from across the country and a variety of industries.

"This contribution is a credit to the success of our AI Hub team in creating real business solutions for SMEs by leveraging Artificial Intelligence, Machine Learning, Natural Language Processing, and more," said Debbie McKee Demczyk, dean, ORSIE. "We are grateful for NRC IRAP's support which, in turn, allows our team to continue doing this valuable work."

The NRC IRAP I funding enables DC faculty and student researchers to act as consultants to SMEs, applying their skills and training to solve industry challenges related to innovation and technology adoption. Thus far, the funding has supported the following successful projects:

- » Mapping, development and deployment of a fully functional rule-based Database and Administration Portal along with a testing webpage for Calgary-based Cognitive Solutions Inc.
- » Development of a suite of Machine Learning applications and scripts, which includes inference functions for on-the-fly textual testing and analysis, for AI agency Atomic X.
- » Phase 1 of the AI Wetland mapping tool development for Solstice Environmental Management, an Alberta-based environmental consulting firm.
- » Development of an AI tool built into the software of a New Brunswick-based digital services provider, Riddl Tech Inc., that can help client companies manage their social and environmental-impact data.
- » Development of proprietary conversational chatbot for Health Espresso/iCare Home Health Services Inc. that answers frequently asked questions about regional healthcare resources in Ontario based on a user's postal code.
- » Creation of an event-based AI engine that envelops multi-faceted AI models to predict the fluctuations of the currency in light of changing global currencies and event indexes for online financial tech services company 4Pay Inc.
- » Through their partnerships with the AI Hub, each SME gained access to researcher and student expertise and valuable programs and resources to help facilitate the adoption of AI into their business systems.

"Although the benefits are well known, the ability to develop an effective AI solution that can generate value at scale remains elusive for many companies," said Dr. Elaine Popp, vice president, Academic. "We are thrilled that this funding from NRC will allow us to further support businesses as they implement AI capabilities into their business systems, all while giving our students more opportunities for experiential learning."

DC's Office of Research Services, Innovation and Entrepreneurship (ORSIE) has been awarded two Mitacs Accelerate grants totaling \$120,000, in support of two new applied research projects creating eight internships for DC students.

Among the first colleges in Ontario to access the program, the grants are allowing DC to build research partnerships while also giving students meaningful experiential learning opportunities to participate in research as paid interns. Not only does this help partner organizations that need their expertise, it contributes to the training of highly qualified research personnel by providing work-integrated opportunities at DC that support students' career readiness.

"The Mitacs Accelerate program is a unique funding model that brings researchers, students and businesses together to solve real-world challenges," said Debbie McKee Demczyk, dean, ORSIE. "We are very excited to see the two research projects come to fruition and are grateful to be receiving support from our partner companies and Mitacs itself."

Recognizing that manufacturing is a \$174 billion industry in Canada, representing over 10 per cent of the total GDP and 68 per cent of merchandise exports, efficient inventory management plays a vital role in a business's profitability.

Students worked under the supervision of Creation Technologies' Supply Chain Leader Maura Kirby, who also sits on the SOM Program Advisory Committee at DC, and faculty researcher Brent Clemens, to create a system that can determine the optimal levels of supply needed to support customer needs, while meeting the company's business targets.

"I am very pleased to be able to participate with Durham College and Mitacs on this project," shared Kirby. "The students were able to apply their supply chain knowledge to help identify inventory factors contributing to the creation of the optimization model. Overall, this project has been a great success and has been a valuable learning experience for myself and the students."

To help address this problem, DC faculty researcher Uzair Ahmad and six interns from DC's Artificial Intelligence Analysis, Design and Implementation and Data Analytics for Business Decision Making graduate certificate programs will work with Reachout Inc., a start-up company that is building a diversified early career community for post-secondary students and an end-to-end virtual recruiting platform for employers, to develop a two-way hybrid recommendation system to support both employers and job seekers. The system will learn relevant content and rank candidates based on the job description. This will result in stronger candidate recommendations for employers while also promoting appropriate job opportunities to candidates.

The students involved in this research will be integrated into Reachout's technical team, with direct supervision provided by Thomas Liu, it's CEO, and will benefit from the ability to leverage the skills and knowledge they've acquired in the classroom and apply them to solve businesses challenges in a real-world setting.

"Mitacs is delighted to support these exciting projects at Durham College. By enabling the creation of valuable academic-industry partnerships that provide students with meaningful, paid, experiential-learning opportunities, Mitacs is proud to contribute to innovation in Ontario. These internships are helping partner organizations access Durham's rich expertise in AI and systems optimization, while contributing to the career development of college students," said, John Hepburn, CEO and Scientific Director at Mitacs.



ATHLETICS

DURHAM LORDS RECOGNIZE 46 ALL-ACADEMIC STUDENT-ATHLETES

Recognizing academic success from the 2020 fall semester, the Durham Lords are proud to acknowledge 46 student-athletes with all-academic honours.

Despite the lack of conference play following the cancellation of Ontario Colleges Athletic Association seasons due to health and safety protocols, DC student-athletes remained dedicated to both studies and training, surpassing 40-plus all-academic student-athletes for the third consecutive year.

"I can't say enough of how proud I am of all our student-athletes for staying committed to their sport and their academics during the pandemic," said DC Athletic Director Ken Babcock. "In particular, congratulations to the near record number of DC varsity athletes who have achieved academic honours this past fall."

Durham women's volleyball led the way with seven players achieving all-academic requirements, followed closely behind by women's softball, men's baseball and Esports with six players each, and women's soccer and men's rugby who had five players receive the honour.

CONSTRUCTION ON DURHAM LORDS SOFTBALL FACILITY

Construction on a new Durham Lords softball facility at the Oshawa campus commenced this year. The facility, which will include 100-per-cent synthetic SPORTURF playing surface with an underlay shock pad for safety, will become the new home of DC's award-winning women's softball program.

The new softball facility will give DC the ability to host provincial, national and international games and special showcase camps, as well it will house new campus recreational programs for students. A seating capacity of 400 people, including 100 VIP seats, and a custom press box at the top of the stadium bleachers will allow for livestreaming of home games and VIP hosting.

Replacing the current halogen light system will be state-of-the-art MUSCO LED energy-efficient stadium lights to eliminate light spill. This new feature will also provide the capability to match light requirement levels for broadcast TV.

"I am so excited to see this facility become a reality," said DC athletic director Ken Babcock. "We will have an amazing new home for our highly successful championship women's softball program and with our colder climate and weather, the artificial turf will allow us to extend the playing season on both ends. This will soon be the best place to play women's softball in the country."

batting tunnels for training, bullpens, a new scoreboard, maintenance storage and equipment, coaches' room and an umpire change room. New team change rooms will be completed during Phase 2 of the project, which is estimated to begin summer 2021.

DC's women's softball team has won an unprecedented record twenty OCAA championships over the past 39 years, including four in the past five years alone.

DC LORDS ESPORTS ROCKET LEAGUE TEAM WIN NECC CHAMPIONSHIP

The DC Lords Varsity Esports team earned their first championship win after the Rocket League squad captured the New England Collegiate Conference (NECC) championship on November 22.

After winning their regular season finale, the Lords completed a perfect 6-0 regular season run in NECC competition, entering the post-season as the number two seed overall. From there, DC dominated their first-round match before knocking off another team in an exciting championship final.

"I believe this is the standard we have set for ourselves moving forward with the overall tone of our program," said Lords esports general manager Bill Ai. "An amazing start to the inaugural season for the NECC and we will look to continue to produce results of this caliber into next year when we defend our championship in the spring."

The Lords Rocket League squad is made up of Conner McGlennan, Dallas Smith, Drew Fairbrother and Jared Greenwood.

"I'm really proud of the work Jared, Conner, Dallas, and Drew put in this season to win the NECC championship," noted Rocket League team coach and manager Ben Bramly. "Through countless hours of practice, scrimmages, and games they showed consistent improvement throughout the season. I can't wait to see what more they can achieve as they continue to play together and build themselves as a team."

The NECC match was only one of two championship matches the team competed in on November 22. The Rocket League team also made it to the Unified Collegiate Esports Association (UCEA) final. However, the Lords fell in the gold medal round.

PlayVS action also continued for the Rocket League team, adding wins over three teams to their record, before dropping their most recent match ahead of the post-season.

Finally, the team earned two more wins in CSL Esports competition heading into the winter break, resuming regular season matches in the new year.



INTERNATIONAL EDUCATION

DC TO SUPPORT TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) IN KENYA THROUGH YOUNG AFRICA WORKS INITIATIVE IN PARTNERSHIP WITH MASTERCARD FOUNDATION

This past year, DC participated in two initiatives in Kenya with Young Africa Works: Youth Employability through TVET (Technical and Vocational Education and Training) program.

Facilitated by Colleges and Institutes Canada (CICan) in partnership with Mastercard Foundation, the first initiative will be undertaken over 12 months, focusing on preparing a new industry-driven training program for a September 2021 launch, and the second, which will be undertaken over the next five years, will focus on developing and scaling up training of pre- and in-service trainers to deliver competency-based education and training (CBET) instruction and capacity development for leadership and management.

Increasing industry-driven training programs

Working as the lead institution on the first initiative, DC, in collaboration with Algonquin College and Kenyan partners, seeks to increase the participation of young Kenyans, particularly women, in market-relevant skills training programs. Using a partner-driven, participatory approach, the goal is to ultimately grow the number of young people in dignified and fulfilling work in the Big Four (food security, affordable housing, manufacturing and affordable healthcare) and digital sectors.

DC's involvement comes as a continuation of the Kenya Education for Employment Program (KEFEP), which saw the college work with The Kitale National Polytechnic and The Eldoret National Polytechnic providing support for institutional leadership and assisting with the implementation of Kenya's technical and vocational education and training reforms.

This unique collaborative project will leverage the strengths of each partner to quickly implement and accelerate its overall impact.

Over the course of 12 months, all involved in the project will work to develop student-centred learning materials, gender equity and inclusion strategies, and industry linkages.

Exchanges will also occur between Kenya and Canada, allowing Kenyan trainers to conduct benchmarking visits to Canada in order to be exposed to CBET methodology, industry workshops and courses that are currently in use. Canadian trainers and subject-matter experts visiting Kenya will continue to build relationships with their Kenyan partners and develop a better understanding of the local context.

Developing and scaling up pre- and in-service training

DC is also supporting a second initiative, alongside project lead Algonquin College, and Camosun College, which will give current trainers and leaders the skills they need to successfully deliver CBET education.

This will be done by embedding its CBET principles within the theory and practice of their preparatory courses, while better aligning them with newly developed national standards, where modules focus on the different learning needs of young women and young men.

The development and scaling-up of pre- and in-service instruction will ensure that up to 9,000 new TVET trainers with CBET methodologies will be deployed.

The Canadian colleges will also work with the Kenyan partners to explore opportunities for TVET trainers to upgrade or maintain their technical skills through short-term industry placements as an element of in-service training.

"We are very excited about both of these initiatives," said Marianne Marando,

associate vice-president, Academic (Enrolment and International Education), Durham College. "DC has a longstanding history of working with institutions across Kenya and thanks to the Mastercard Foundation's generous funding, and facilitation by CICan, we are able to work alongside other Canadian colleges to lend our expertise, helping to further refine skills training to meet the country's growing needs."

DC'S WORKING ACROSS BORDERS PROJECT CONTINUES TO MAKE A GLOBAL IMPACT DURING COVID-19

Four years ago, DC started an innovative Working Across Borders (WAB) course for business students, which allows them to engage with various international institutions around the world through virtual collaborative learning. The project provides participants with opportunities to experience multicultural perspectives while developing sustainable real-world business solutions for internationally oriented clients.

Despite the COVID-19 pandemic, this fall more than 500 students from all over the world joined more than 120 DC students, many of which are international, from the Project Management and International Business Management post-graduate programs. Using the Rotary Global Classroom, DC's live-stream venue, partners from Germany, Belgium, Slovenia, Netherlands, Russia, Finland, Italy, Ecuador, Bangladesh and Indonesia came together on October 19 for a kickoff session to discuss project details and to meet their teammates and 2020 WAB project partner and client, Seventh Generation.

Seventh Generation is an American-based company that produces eco-friendly cleaning and personal care products, whose mission is to help reduce the negative impact on human health and the environment. The organization's chief marketing officer, Hanneke Willenborg, participated in the WAB event and provided students with invaluable insight to help guide their efforts.

"Products and businesses need to do more in this world than just work," says Willenborg. "Companies need to be able to serve more than just their shareholders. We are delighted to see young global minds develop and generate brilliant insights and ideas to help solve complex sustainability and inequity challenges by being a part of Working Across Borders."

WAB encourages students to work effectively in intercultural teams and explore business opportunities to achieve the United Nations 17 Sustainable Development Goals in their work. The project focuses on online collaboration to prepare students for the real business world and raises awareness about today's environmental issues to develop open-minded and responsible professionals.

"Working Across Borders encourages those involved to find effective ways to collaborate and overcome cultural barriers with people across the globe," states Rogier Ten Kate, DC professor and one of the partners in the project. "Students have to solve a complex problem for a real client and build connections and friendships virtually and culturally. With this challenge, they will develop many valuable skills that will be helpful in their future endeavours."

The WAB initiative continues to expand each year, which illustrates the importance of preparing students to build a sustainable future on a global scale.

PICTURING CHANGE: A FACULTY-LED CLASSROOM ABROAD TAKES STUDENTS TO GUATEMALA TO LEARN ABOUT THE UNITED NATION'S 17 SUSTAINABLE DEVELOPMENT GOALS

As part of a Faculty-led Classroom Abroad initiative, seven students from DC's Journalism – Mass Media program and two from the Video Production program spent ten days in Guatemala learning about the people, the culture and themselves.

Overseen by faculty member Danielle Harder, the students worked on a project comprised of four parts. The first involved documenting work done by a Canadian organization, Students Offering Support, to support Guatemalan communities.

The second saw the students leading a Digital Storytelling Workshop with Guatemalan youth where they produced stories about the SDGs and their impact. While there, the students also participated in the Global Classroom that included students in Canada, Ireland and Guatemala.

Finally, in the last week of the semester, every student in the Journalism – Mass Media program participated in the #DCinGuatemala project. In teams, students produced multimedia story 'maps' using the videos, photos and interviews gathered during the FLCA. These maps tell the story of how Guatemalans are working to meet the SDGs. The FLCA was a transformational journey for the students who participated, while also being impactful for students at home through the sharing of cross-cultural knowledge.



DC BY THE NUMBERS

- » Top GTA Employer
(for the **TENTH TIME**)
- » Canada's Greenest Employer
(for the **FIFTH CONSECUTIVE YEAR**)
- » Top 50 Research College
(for the **SEVENTH TIME**)
- » **95,000+** alumni
- » **2,303** employees
- » **30,000+** part-time, continuing education
and online students
- » **2** campuses (Oshawa and Whitby)
- » **11,000** full-time post-secondary and
apprenticeship students
- » **4** honours bachelor degrees
- » **44,354** classes hosted through the
virtual classroom
- » **1,800** international students
- » **\$913+** million economic impact on
Durham Region



APPENDICES

2020-2021 DURHAM COLLEGE BOARD OF GOVERNORS

- » Michele James, chair of the Board
- » Kristi Honey, vice-chair of the Board
- » Lisa Allen
- » Suzanne Beale
- » Elizabeth Cowie
- » Kelly Doyle, administrative staff representative
- » Kevin Griffin, academic staff representative
- » Gail Johnson Morris
- » Christine Kozminski, student representative
- » Robert Lanc
- » Bart Lucyk, support staff representative
- » Kenneth Michalko
- » Ian Murray
- » Jerry Ouellette
- » Gary Rose
- » Jim Wilson
- » Don Lovisa, president

DURHAM COLLEGE LEADERSHIP TEAM

- » Don Lovisa, president
- » Dr. Elaine Popp, executive vice president, Academic
- » Tara Koski, dean, Student Affairs
- » Dr. Scott Blakey, chief administrative officer
- » Barbara MacCheyne, chief financial officer

OVERVIEW OF SUCCESSES AND ACHIEVEMENTS FOR THE PREVIOUS YEAR

Achieving the objectives outlined in the annual Business Plan each year is critical to the success of the college's three-year strategic plan. The Ontario Minister's Binding Policy Directive for Annual Reports requires each college to summarize the results of its Business Plan from the previous year in their annual report, in recognition of the importance of these objectives to post-secondary institutions.

Over the past year, despite the challenges presented by COVID-19, many objectives and activities were still completed as they were originally designed or amended to address changes in our business and community.

Highlights of DC's achievements include:

OUR STUDENTS

- » Launched four new programs including Autism and Behavioural Sciences, Tourism – Destination Marketing, Esport Business Management, Behavioural Science – Honours Bachelor degree.
- » Six additional programs launched co-op including, Electromechanical Engineering Technology, Environmental Technology, Law Clerk Advanced, Mechanical Technician – Elevating Devices, Mechanical Technician – Millwright, and Tourism – Destination Marketing.
- » All new teaching and learning tools implemented in 2020 led to 44,354 classes hosted virtually.

OUR PEOPLE

- » DC's Centre for Academic and Faculty Enrichment offered 434 professional development sessions with 2,277 participants.
- » Developed Equity, Diversity and Inclusion Pedagogy and Practice Modules to promote a positive and inclusive work environment. Over 200 individuals registered.

OUR WORK

- » Signed the City Studio Memorandum of Understanding with the Regional Municipality of Durham, Durham Regional Police Services, and two other PSEs to collaborate on municipal challenges, offering experiential learning and research opportunities for students.
- » Launched a new Strategic Plan for 2020-2023.
- » Three Mitacs-supported projects developed and awarded, totaling eight internships.

OUR COMMUNITY

- » Closed the GM Action Centre project: 595 users accessed the portal, 4,677 jobs were posted online, a career fair saw over 500 job seekers attend, 24 employment resource pages created and 217 employment events were posted.
- » First Peoples Indigenous Centre led the development of a collaborative Summer Transitions program (Sweetgrass Series). Working alongside post-secondary partners Loyalist College, Trent University and Ontario Tech University, all four institutions developed the Indigenous Student Success Network, which provided cultural programming and social engagement opportunities with traditional knowledge keepers so that more Indigenous students feel connected to a larger community. Eight sessions were held for 485 registrants.
- » Worked with 62 new employers to provide 103 placements through Community Employment Services.

FINANCIALS

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of the Durham College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors.

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

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

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

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

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

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



College President

June 9, 2021



Chief Financial Officer

Independent Auditor's Report

To the Board of Governors of Durham College of Applied Arts and Technology

Opinion

We have audited the consolidated financial statements of Durham College of Applied Arts and Technology (the "College"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of operations, consolidated statement of net assets, consolidated statement of cash flows and consolidated statement of remeasurement gains and losses for the year ended March 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the College as at March 31, 2021, and its consolidated results of its operations, its consolidated cash flows, and its consolidated remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

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

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the College to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 31, 2021

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

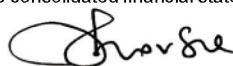
Consolidated Statement of Financial Position

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 26,225,591	\$ 28,872,334
Short-term investments (note 2)	6,396,664	10,574,553
Accounts receivable (note 2)	19,614,775	15,510,191
Current portion of long-term receivables (note 3)	682,040	654,066
Inventories	1,021,140	835,694
Prepaid expenses	181,826	235,489
	54,122,036	56,682,327
Long-term investments (note 2)	17,866,932	15,599,381
Long-term receivables (note 3)	8,159,884	8,841,924
Capital assets (note 4)	244,063,830	238,382,910
	\$ 324,212,682	\$ 319,506,542
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 41,902,277	\$ 41,966,746
Accrued vacation	9,017,280	8,231,616
Deferred revenue (note 5(a))	16,245,517	16,347,954
Current portion of debt (note 6)	4,421,979	3,938,815
	71,587,053	70,485,131
Term debt due on demand (note 6)	8,159,884	8,720,461
	79,746,937	79,205,592
Deferred contributions (note 5(b))	140,752,931	138,754,293
Long-term debt (note 6)	38,014,073	32,310,953
Derivative liability (note 6)	1,768,854	2,532,124
Long-term liability (note 7)	6,098,618	6,426,098
Post-employment, retirement benefits and compensated absences	4,775,440	4,620,036
	271,156,853	263,849,095
Net assets:		
Unrestricted		
Operating	(28,605,806)	(30,929,333)
Post-employment, retirement benefits, and compensated absences	(4,775,440)	(4,620,036)
Vacation pay	(9,017,280)	(8,231,616)
	(42,398,526)	(43,780,985)
Invested in capital assets (note 12)	62,778,631	59,284,913
Internally restricted (note 9, note 17)	13,999,794	22,363,628
Endowments (note 9)	16,397,598	16,274,828
	50,777,497	54,142,385
Accumulated remeasurement gains	2,278,332	1,515,062
	53,055,829	55,657,447
Commitments (note 14)		
Contingencies (note 15)		
Guarantees (note 16)		
	\$ 324,212,682	\$ 319,506,542

See accompanying notes to the consolidated financial statements.

On behalf of the Board:



Don, Lovisa
Director



Michele James,
Director

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Revenue:		
Grants and reimbursements	\$ 81,778,009	\$ 74,884,084
Student tuition fees	64,754,676	76,143,772
Ancillary operations	4,273,178	12,274,829
Rental income	3,293,290	9,963,064
Other income	22,573,672	27,978,888
Amortization of deferred capital contributions (note 5(b)(i))	8,463,844	8,045,829
Total revenue	185,136,669	209,290,466
Expenditures:		
Salaries and benefits	127,598,718	130,729,263
Instructional supplies	3,102,715	3,870,069
Contracted services	9,501,612	8,782,083
Utilities, maintenance and taxes	9,248,285	13,491,321
Interest and bank charges	2,263,225	2,424,496
Scholarships and bursaries	2,707,948	3,154,938
Supplies and other expenses	15,692,540	26,162,902
Amortization of capital assets (note 12(b))	18,509,283	18,660,941
Total expenditures	188,624,326	207,276,013
(Deficiency) excess of revenue over expenditures	\$ (3,487,657)	\$ 2,014,453

See accompanying notes to the consolidated financial statements.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative figures for 2020

	2021				
	Internally restricted net assets				Total
	Unrestricted	Invested in capital assets (note 12)	Internally Restricted (note 9)	Foundation (note 9)	Endowments (note 9)
Balance, beginning of year	\$ (43,780,985)	\$ 59,284,913	\$ 22,176,878	\$ 186,750	\$ 16,274,828
(Deficiency) excess of revenue over expenditures	10,044,004	(10,045,439)	(3,487,656)	1,434	-
Invested in capital assets (note 12(b))	(8,539,157)	13,539,157	(5,000,000)	-	-
Endowment contributions	-	-	-	-	122,770
Transfer (note 17)	(122,388)	-	122,388	-	-
Net changes during the year	1,382,459	3,493,718	(8,365,268)	1,434	122,770
Balance, end of year	\$ (42,398,526)	\$ 62,778,631	\$ 13,811,610	\$ 188,184	\$ 16,397,598
					\$ 50,777,497
	2020				
	Internally restricted net assets				Total
	Unrestricted	Invested in capital assets (note 12)	Internally Restricted (note 17)	Foundation (note 9)	Endowments (note 9)
Balance, beginning of year	\$ (37,963,591)	\$ 47,999,535	\$ 25,636,967	\$ 180,192	\$ 15,732,306
Excess of revenue over expenditures	12,623,007	(10,615,112)	-	6,558	-
Invested in capital assets (note 12(b))	(16,432,506)	21,900,490	(5,467,984)	-	-
Endowment contributions	-	-	-	-	542,522
Transfer (note 17)	(2,007,895)	-	2,007,895	-	-
Net changes during the year	(5,817,394)	11,285,378	(3,460,089)	6,558	542,522
Balance, end of year	\$ (43,780,985)	\$ 59,284,913	\$ 22,176,878	\$ 186,750	\$ 16,274,828
					\$ 54,142,384

See accompanying notes to the consolidated financial statements.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
(Deficiency) excess of revenue over expenditures	\$ (3,487,657)	\$ 2,014,453
Items not affecting cash:		
Amortization of capital assets	18,509,283	18,660,941
Amortization of deferred capital contributions	(8,463,844)	(8,045,829)
Change in non-cash working capital:		
Accounts receivable	(4,104,585)	(1,622,330)
Inventories	(185,446)	36,566
Prepaid expenses	53,663	(20,173)
Accounts payable and accrued liabilities	(64,469)	1,928,390
Accrued vacation	785,664	(421,654)
Post-employment, retirement benefits and compensated absences	155,404	(66,659)
Deferred revenue	(102,437)	(1,751,528)
	3,095,576	10,712,177
Financing activities:		
Endowment contributions	122,770	542,522
Advances of long-term debt	9,566,000	-
Repayment of long-term debt	(3,940,293)	(3,907,801)
	5,748,477	(3,365,279)
Capital activities:		
Contributions received for capital purposes (net of fair market value adjustment)	10,462,483	4,049,893
Purchase of capital assets	(24,517,683)	(24,863,479)
	(14,055,200)	(20,813,586)
Investing activities:		
Decrease in long-term receivables	654,066	627,486
Decrease in investments	1,910,338	1,564,006
	2,564,404	2,191,492
Decrease in cash	(2,646,743)	(11,275,196)
Cash, beginning of year	28,872,334	40,147,530
Cash, end of year	\$ 26,225,591	\$ 28,872,334
Supplemental cash flow information:		
Interest paid	\$ 1,384,722	\$ 1,520,591

See accompanying notes to the consolidated financial statements.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Accumulated remeasurement gains at beginning of year	\$ 1,515,062	\$ 1,942,625
Unrealized (losses) gains attributable to:		
Derivative - interest rate swap	763,270	(427,563)
Net remeasurement losses for the year	763,270	(427,563)
Accumulated remeasurement gains at end of year	\$ 2,278,332	\$ 1,515,062

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

Durham College of Applied Arts and Technology (the "College") was established as a corporation without share capital, as set out in the Ontario Colleges of Applied Arts and Technology Act. The Corporations Act governs the corporate affairs of the College and became effective April 1, 2003. The College is principally involved in providing post-secondary educational services. Under the Income Tax Act (Canada), the College is considered a registered charity and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

(a) *Basis of presentation*

The consolidated financial statements of the College have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the College and its subsidiary Durham College Foundation (the "Foundation"). All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) *Revenue recognition*

The College follows the deferral method of accounting for restricted contributions which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate. Grants earned but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Tuition fees are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

Ancillary revenues, including parking, bookstore, rental, contract training 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.

Unrestricted contributions are recognized as revenue when received or receivable.

Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are recognized.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

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

Investment income earned on endowment funds is recognized as a direct increase in net assets when the related expense occurs. 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.

(c) *Financial Instruments*

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

Fair value

This category includes derivatives and equity instruments quoted in an active market. The College has designated its fixed income instruments that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the consolidated statement of operations. On sale or settlement, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the consolidated statement of operations.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amortized cost

This category includes accounts receivable, long-term receivables, accounts payable and accrued liabilities, term debt due on demand and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for contributions, which are recognized at fair value.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the consolidated statement of operations.

(d) *Capital assets*

Purchased capital assets are recorded 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 that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value. Any unamortized deferred capital contribution amount related to the capital asset is recognized in revenue in the consolidated statement of operations, provided that all restrictions have been complied with.

Construction in progress costs are capitalized as incurred. They are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which have been estimated to be as follows:

Buildings	40 or 69 years
Building improvements	10 years
Equipment and furniture	5 - 10 years
Computer equipment	3 years

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

(e) *Inventories*

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(f) *Student organizations*

These consolidated financial statements do not reflect the assets, liabilities, and results of operations of the various student organizations as they are not controlled by the College.

(g) *Vacation pay*

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

(h) *Post-employment, retirement benefits and compensated absences*

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.
- (ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

(i) Foreign currency translation

Transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at current rates of exchange with the resulting gains and losses recognized in the consolidated statement of operations.

(j) Management estimates

The preparation of consolidated financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of consolidated financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Areas of key estimation include determination of fair value of investments, impairment allowances, amortization of capital assets, fair value of derivative liabilities, vacation pay and actuarial estimation of post-employment benefits and compensated absences liabilities.

2. FINANCIAL INSTRUMENT CLASSIFICATION

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2021		
	Fair Value	Amortized Cost	Total
Cash	\$ 26,225,591	\$ -	\$ 26,225,591
Accounts receivable	-	19,614,775	19,614,775
Current portion of long-term receivables	-	682,040	682,040
Investments	24,263,596	-	24,263,596
Long-term receivable	-	8,159,884	8,159,884
Accounts payable and accrued liabilities	-	41,902,277	41,902,277
Accrued vacation	-	9,017,280	9,017,280
Current portion of debt	-	4,421,979	4,421,979
Term debt due on demand	-	8,159,884	8,159,884
Long-term debt	-	38,014,073	38,014,073
Derivative liability	1,768,854	-	1,768,854

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2020		
	Fair Value	Amortized Cost	Total
Cash	\$ 28,872,334	\$ -	\$ 28,872,334
Accounts receivable	-	15,510,191	15,510,191
Current portion of long-term receivables	-	654,066	654,066
Investments	26,173,934	-	26,173,934
Long-term receivable	-	8,841,924	8,841,924
Accounts payable and accrued liabilities	-	41,966,746	41,966,746
Accrued vacation	-	8,231,616	8,231,616
Current portion of debt	-	3,938,815	3,938,815
Term debt due on demand	-	8,720,461	8,720,461
Long-term debt	-	32,310,953	32,310,953
Derivative liability	2,532,124	-	2,532,124

Investments consist of equity instruments in public companies (2021 - \$15,271,257, 2020 - \$12,243,027), fixed income instruments (2021 - \$3,611,728, 2020 - \$3,356,354) and Guaranteed Investment Certificates (2021 - \$5,380,611, 2020 - \$10,574,552). Investments include \$18,764,069 (2020 - \$15,481,480) of investments externally restricted for endowment purposes (see Note 8).

Maturity profile of bonds held is as follows:

	2021				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	\$ 1,016,052	\$ 2,187,126	\$ 345,167	\$ 63,383	\$ 3,611,728
Percentage of Total	28%	60%	10%	2%	

	2020				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	\$ -	\$ 2,742,879	\$ 523,450	\$ 90,025	\$ 3,356,354
Percentage of Total	0%	81%	16%	3%	

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 26,225,591	\$ -	\$ -	\$ 26,225,591
Investments	20,651,868	3,611,728	-	24,263,596
Derivative liability	-	-	1,768,854	1,768,854
Total	\$ 46,877,459	\$ 3,611,728	\$ 1,768,854	\$ 52,258,041

	2020			
	Level 1	Level 2	Level 3	Total
Cash	\$ 28,872,334	\$ -	\$ -	\$ 28,872,334
Investments	22,817,580	3,356,354	-	26,173,934
Derivative liability	-	-	2,532,124	2,532,124
Total	\$ 51,689,914	\$ 3,356,354	\$ 2,532,124	\$ 57,578,392

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and 2020. There were also no transfers in or out of Level 3.

Risk management relates to the understanding and active management of risks associated with all areas of the College's activities and the associated operating environment. Investments are primarily exposed to market, credit, interest rate, foreign currency and liquidity risks. The College has formal policies and procedures that establish target asset mix. The College's policies also require diversification of investments within categories, and set limits on exposure to individual investments.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure each risk.

(i) *Market risk:*

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. Fluctuation in the market exposes the College to a risk of loss.

The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2021, a 10.00% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of \$1,141,586 (2020 - \$894,236).

(ii) Credit, interest rate and maturity risk:

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, bonds, long-term receivables and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100,000 (2020 - \$100,000).

The investment policy of the Foundation operates within the confines of the Trustees Act which places limitations on the composition of the investment portfolio. All other College investments not held within the Foundation operate within the constraints of the Ministry's Binding Directive on Banking, Investments and Borrowing which puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure.

Accounts receivable and long-term receivables are ultimately due from students and the Ontario Tech University ("On Tech U" or the "University"). Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

The amounts outstanding at year-end are as follows:

	2021					
	Total	Current	Past Due			
			1-30 days	31-60 days	61-90 days	91 - 120 days
Government receivables	\$ 9,035,024	\$ 9,035,024	\$ -	\$ -	\$ -	\$ -
Student receivables	4,982,614	-	43,000	170,449	451,452	4,317,713
Other receivables	8,634,540	7,031,830	840,657	675,907	1,458	84,688
Gross receivables	22,652,178	16,066,854	883,657	846,356	452,910	4,402,401
Less: impairment allowances	(3,037,403)	-	-	-	-	(3,037,403)
Net receivables	\$ 19,614,775	\$ 16,066,854	\$ 883,657	\$ 846,356	\$ 452,910	\$ 1,364,998

	2020					
	Total	Current	Past Due			
			1-30 days	31-60 days	61-90 days	91 - 120 days
Government receivables	\$ 5,163,641	\$ 5,163,641	\$ -	\$ -	\$ -	\$ -
Student receivables	4,399,418	-	79,468	79,157	472,413	3,768,380
Other receivables	8,426,348	6,502,682	1,074,816	719,111	22,577	107,162
Gross receivables	17,989,407	11,666,323	1,154,284	798,268	494,990	3,875,542
Less: impairment allowances	(2,479,216)	-	-	-	-	(2,479,216)
Net receivables	\$ 15,510,191	\$ 11,666,323	\$ 1,154,284	\$ 798,268	\$ 494,990	\$ 1,396,326

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest-bearing investments and debt.

The College mitigates interest rate risk on a portion of its term debt through a derivative financial instrument that exchanges the variable rate inherent in a portion of the term debt for a fixed rate (see Note 6). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

The College's bond portfolio has interest rates ranging from 0.63% to 6.50% (2020 - 1.25% to 6.50%) with maturities ranging from July 7, 2021 to June 18, 2048 (2020 - June 2, 2021 to June 18, 2048).

At March 31, 2021, a 1.00% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds and the interest rate swap of \$578,500 (2020 - \$721,433). The College's term debt as described in Note 6 would not be impacted as the inherent variable rate of the debt has been fixed with the use of the aforementioned derivative interest rate swap.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Credit risk on accounts receivables and long-term receivables are mitigated by financial and system controls on past due accounts. The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. Subsequent to year-end, the credit risk related to the College's accounts receivable for tuition revenue has increased due to the impact of COVID-19, which could lead to potential losses.

(iii) Foreign currency risk:

Foreign currency risk arises when the value of securities denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. U.S. equities are held in U.S. dollars, which have been converted to Canadian dollars as at year-end, using the exchange rate at that date. Investments held in U.S. dollars at March 31, 2021 were approximately \$6,825,020 (2020 - \$5,592,115) stated in Canadian dollars.

(iv) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

2021				
	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 41,902,277	\$ -	\$ -	\$ -
Accrued vacation	6,762,960	2,254,320	-	-
Debt	2,159,036	2,262,943	14,724,561	31,449,396
	<u>\$ 50,824,273</u>	<u>\$ 4,517,263</u>	<u>\$ 14,724,561</u>	<u>\$ 31,449,396</u>

2020				
	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 41,966,746	\$ -	\$ -	\$ -
Accrued vacation	6,173,712	2,057,904	-	-
Debt	2,007,492	1,931,323	14,727,249	26,304,165
	<u>\$ 50,147,950</u>	<u>\$ 3,989,227</u>	<u>\$ 14,727,249</u>	<u>\$ 26,304,165</u>

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Derivative financial liabilities mature as described in Note 6.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

3. LONG-TERM RECEIVABLES

(a) Student levy receivable for campus recreation and wellness centre

Includes a receivable from future student levies as approved by the Durham College Student Association Incorporated, with a long-term portion of \$8,159,884 (2020 - \$8,720,461) and a current portion of \$560,577 (2020 - \$532,603) for the financing of a new Campus Recreation and Wellness Centre ("the Centre"). It is repayable from an annual special levy on student fees and bears interest equal to the debt incurred to construct the Centre (Note 6). The receivable is secured by the variable rate mortgage due on demand with underlying swap on the Centre.

(b) Other long-term receivable

Includes an unsecured interest-free receivable from On Tech U, with a long-term portion of \$nil (2020 - \$121,463) which is repayable at a fixed amount of \$121,463 annually until September 2021.

4. CAPITAL ASSETS

	2021		2020	
	Ending Cost	Accumulated Amortization	Net book Value	Net book Value
Land	\$ 4,521,201	\$ -	\$ 4,521,201	\$ 4,521,201
Buildings	279,532,968	114,938,405	164,594,563	170,785,161
Building improvements	95,903,948	58,650,727	37,253,221	38,073,712
Equipment and furniture	94,558,954	80,917,300	13,641,654	14,694,564
Computer equipment	42,790,918	38,744,092	4,046,826	4,584,472
Construction-in-progress	20,006,365	-	20,006,365	5,723,800
	\$ 537,314,354	\$ 293,250,524	\$ 244,063,830	\$ 238,382,910

Construction in progress relates to various ongoing capital projects that are not yet complete. In the current year, construction in progress is primarily related to Centre for Skilled Trades and Technology, an academic building, scheduled to be substantially completed in August 2021.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

5. DEFERRED CONTRIBUTIONS

(a) *Deferred revenue*

Deferred revenue represents grants - \$3,028,177 (2020 - \$1,953,234), tuition fees - \$7,085,088 (2020 - \$7,776,275) and other revenue - \$6,132,252 (2020 - \$6,618,445) related to expenses of future periods.

(b) *Deferred contributions*

(i) Capital contributions

Deferred capital contributions represent the unamortized amount of donations and grants for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Consolidated Statement of Operations at the same rate as amortization is recorded on the related capital assets.

		2021	2020
Balance, beginning of year	\$	138,228,348	\$ 140,896,023
Contributions received		7,805,026	5,378,154
Less amounts amortized to revenue		(8,463,844)	(8,045,829)
Balance, end of year	\$	137,569,530	\$ 138,228,348

(ii) Foundation

		2021	2020
Balance, beginning of year	\$	449,966	\$ 1,779,228
Transfers		(105,154)	(106,500)
Net investment income and deferred contributions		3,114,494	(670,212)
Scholarships & Bursaries		(413,776)	(552,550)
Balance, end of year	\$	3,045,530	\$ 449,966

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

5. DEFERRED CONTRIBUTIONS (continued)

(iii) Expenses of future periods

Deferred contributions represent unspent restricted donations for scholarships and bursaries.

		2021		2020
Balance, beginning of year	\$	75,979	\$	74,979
Contributions received		320,000		250,500
Disbursements		(258,108)		(249,500)
Balance, end of year	\$	137,871	\$	75,979
Total deferred contributions	\$	140,752,931	\$	138,754,293

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

6. DEBT

	2021	2020
2.06% secured mortgage on the Whitby campus, repayable in monthly instalments of \$41,231 principal and interest, due November 2031, interest rate renewal October 2021.	\$ 4,736,519	\$ 5,129,720
3.12% unsecured mortgage on student residence, repayable in semi-annual instalments of \$753,625 principal and interest, due February 2024.	2,142,282	2,813,247
2.77% commercial mortgage loan on student residence, repayable in monthly instalments of \$202,919 principal and interest, due June 2031, interest rate renewal in June 2024.	21,725,680	23,535,098
Variable rate secured mortgage due on demand, with an underlying swap fixing the rate at 5.38% on the Campus Recreation and Wellness Centre, due in November 2032, interest and principal paid monthly.	8,720,461	9,253,063
2.46% unsecured mortgage on student residence, repayable in monthly instalments of \$52,701.47 principal and interest, due July 2027, interest rate renewal in July 2022.	3,704,994	4,239,101
0.39% unsecured mortgage on the Centre for Skilled Trades and Technology for the initial draw of \$9,566,000. The rate will increase to 0.41% for April 2021. The consolidated loan of \$20,000,000 will be repayable in semi-annual instalments for 25 years, based on the Province of Ontario's cost of funds for a 25 year amortizing bond, plus 0.282%.	9,566,000	-
	50,595,936	44,970,229
Less current portion	4,421,979	3,938,815
Less term debt due on demand	8,159,884	8,720,461
	\$ 38,014,073	\$ 32,310,953

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

6. DEBT (continued)

Principal payments due in each of the next five years and thereafter are as follows:

2022	\$ 4,421,979
2023	4,741,612
2024	4,887,189
2025	2,759,389
2026	2,336,371
Thereafter	31,449,396
	<hr/>
	\$ 50,595,936

Interest expense on long-term debt of \$1,384,722 (2020 - \$1,520,591) is included in interest and bank charges.

The College has an interest rate swap to manage the interest rate variability arising on the 25 year mortgage for the Athletic and Health Centre. The mortgage bears interest at floating rates based on banker's acceptances. The swap effectively fixes the interest rate at 5.38% on an initial principal amount of \$14,000,000 over the 25 year life of the mortgage. The fair value of the interest rate swap, in favour of the counterparty, of \$1,768,854 (2020 - \$2,532,124) is recorded in the consolidated statement of financial position with the fluctuations in fair value being recorded in the consolidated statement of remeasurement gains and losses.

The College has a credit facility agreement with a Canadian chartered bank, which provides for a revolving operating line of credit up to \$15,000,000, bearing interest at prime less 0.75%. At March 31, 2021, the College had utilized \$nil (2020 - \$nil) of the operating line of credit.

The College has entered into Irrevocable Standby Letters of Credit with a Canadian chartered bank. The letters of credit consist of \$177,200 bearing interest at 1.50%, \$15,000 bearing interest at 1.20% and \$18,025 bearing interest at 1.20%.

The College obtained a 25 year unsecured mortgage on the Centre for Skilled Trades and Technology building during the fiscal year for \$20,000,000. As at March 31, 2021 the college had drawn \$9,566,000 against the total value, with the remaining balance to be drawn in fiscal 2021-22 when the building has been fully constructed. The current interest rate for the initial draw is 0.41%. Once the full \$20,000,000 has been drawn down by the College, the interest rate will be based on the Province of Ontario's cost of funds for a 25-year amortizing bond, inclusive of fees and commissions, as determined by the Lender, plus 0.28% for the full loan of \$20,000,000.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

7. LONG-TERM PAYABLE – WHITBY RESIDENCE

The College has entered into an alternative financing arrangement for the construction and operation of a student residence in Whitby on College land. Under the terms of the agreement, the third-party partner is responsible for constructing, maintaining and operating the student residence in exchange for monthly payments of \$31,465 over the period of 69 years, plus annual cost of inflation. At the end of the period, the legal title of the building will transfer to the College.

The building was completed and opened for student use in September 2019. The value recognized when the building was complete resulted in a capital asset and corresponding long-term liability of \$6,630,762. The long-term liability as of March 31, 2021 was \$6,098,618 (2020 - \$6,426,098). The capital asset is included in the building class in the consolidated financial statements and is being amortized over its estimated useful life of 69 years.

8. POST-EMPLOYMENT, RETIREMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

The following tables outline the components of the College's post-employment and retirement benefits and compensated absences liabilities and related expenses:

	2021				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,192,000	\$ 711,440	\$ 4,580,000	\$ 76,000	\$ 6,559,440
Value of plan assets	(281,000)	-	-	-	(281,000)
Unamortized actuarial gains/(losses)	29,000	-	(1,583,000)	51,000	(1,503,000)
Total liability	<u>\$ 940,000</u>	<u>\$ 711,440</u>	<u>\$ 2,997,000</u>	<u>\$ 127,000</u>	<u>\$ 4,775,440</u>

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

8. POST-EMPLOYMENT, RETIREMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

	2020				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,185,000	\$ 678,036	\$ 4,724,000	\$ 89,000	\$ 6,676,036
Value of plan assets	(268,000)	-	-	-	(268,000)
Unamortized actuarial gains/(losses)	29,000	-	(1,873,000)	56,000	(1,788,000)
Total liability	<u>\$ 946,000</u>	<u>\$ 678,036</u>	<u>\$ 2,851,000</u>	<u>\$ 145,000</u>	<u>\$ 4,620,036</u>

	2021				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year cost	\$ 8,000	\$ -	\$ 483,000	\$ 2,000	\$ 493,000
Interest on accrued benefit obligation	2,000	10,849	75,000	2,000	89,849
Amortized actuarial (gains)/losses	(10,000)	-	106,000	(5,000)	91,000
Total (recovery) expense	<u>\$ -</u>	<u>\$ 10,849</u>	<u>\$ 664,000</u>	<u>\$ (1,000)</u>	<u>\$ 673,849</u>

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

8. POST-EMPLOYMENT, RETIREMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

	2020				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit (recovery) cost	\$ (41,000)	\$ -	\$ 204,000	\$ 9,000	\$ 172,000
Interest on accrued benefit obligation	2,000	13,567	77,000	4,000	96,567
Amortized actuarial (gains)	(9,000)	-	(3,000)	(13,000)	(25,000)
Total (recovery) expense	<u>\$ (48,000)</u>	<u>\$ 13,567</u>	<u>\$ 278,000</u>	<u>\$ -</u>	<u>\$ 243,567</u>

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly sponsored defined benefit plan for public colleges in Ontario and other employers across Canada. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. 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. The most recent actuarial valuation filed with pension regulators as at January 1, 2021 indicated an actuarial surplus of \$3.3 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of \$11,387,155 in 2021 (2020 - \$10,823,468), which has been included in the consolidated statement of operations.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

8. POST-EMPLOYMENT, RETIREMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

Post-Employment Benefits

The College extends post employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

a) Discount rate

The present value as at March 31, 2021 of the future benefits was determined using a discount rate of 1.70% (2020 – 1.60%).

b) Drug Costs

Drug costs were assumed to increase at a 8.00% rate for 2021 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

c) Hospital and other medical

Hospital and other medical costs were assumed to increase at 4.00% per annum in 2021 (2020 – 4.00%).

Medical premium increases were assumed to increase at 6.42% per annum in 2021 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040 for fiscal 2020.

d) Dental costs

For the fiscal 2021 disclosure, dental costs and premiums were assumed to increase at 4.00% per annum (2020 – 4.00%).

e) Retirement rates

3.10% per annum starting at eligibility for reduced pension, increasing to 16.00% per annum after reaching eligibility for unreduced pension, with the remainder at age 65.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

8. POST-EMPLOYMENT, RETIREMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50.00% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimate of expected rates of:

	2021	2020
Wage and salary escalation	1% - 2%	1% - 2%
Discount Rate	1.7%	1.6%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0.00% to 26.20% and 0 to 51.0 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. RESTRICTED NET ASSETS

Internally restricted

Capital Investments: These funds are expendable for major capital expenditures for the future. Income earned is expendable.

Capital Investments – Residence: These funds are expendable for major capital refurbishments to the student residences. Income earned is expendable.

Foundation: These funds are expendable for future unforeseen operating expenditures. Income earned is expendable.

The College, by resolution of the Board of Governors, internally restricts amounts from net assets as follows:

2021					
	Balance, Beginning of Year	Additions	Transfers, Adjustments, Disbursements	Balance, End of Year	
Operating Contingency	\$ 16,548,606	\$ -	\$ (3,487,656)	\$ 13,060,950	
Capital Investments	5,000,000	-	(5,000,000)	-	
Capital Investments - Residence	628,272	234,268	(111,880)	750,660	
Foundation	186,750	1,434	-	188,184	
	\$ 22,363,628	\$ 235,702	\$ (8,599,536)	\$ 13,999,794	

2020					
	Balance, Beginning of Year	Additions	Transfers, Adjustments, Disbursements	Balance, End of Year	
Operating Contingency	\$ -	\$ 1,718,483	\$ 14,830,123	\$ 16,548,606	
Capital Investments	25,061,355	-	(20,061,355)	5,000,000	
Capital Investments - Residence	575,612	289,412	(236,752)	628,272	
Foundation	180,192	6,558	-	186,750	
	\$ 25,817,159	\$ 2,014,453	\$ (5,467,984)	\$ 22,363,628	

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. RESTRICTED NET ASSETS (continued)

Endowments

Endowment funds are restricted donations received by the College where the endowment principal is required to be maintained. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. The College ensures, as part of its fiduciary responsibilities, that all funds received and transferred to the Foundation with a restricted purpose are expended for the purpose for which they were provided.

Endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust for Student Support ("OTSS"). Under these programs, the government matches funds raised by the College. The purpose of these programs is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College.

The balance of endowments at March 31 consists of the following:

	2021	2020
OSOTF (Note 10)	\$ 5,244,152	\$ 5,175,223
OTSS (Note 11)	6,448,383	6,363,625
Other	4,705,063	4,735,980
	\$ 16,397,598	\$ 16,274,828

These funds are donated specifically for student assistance. Income earned is expendable to provide financial assistance to students.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

10. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS

Net assets restricted for endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund matching program to award student aid as a result of raising an equal amount of endowment donations.

The College has recorded the following amounts under the program:

(a) OSOTF I:

	2021	2020
Schedule of Changes in Endowment Fund Balance		
Endowment fund balance, beginning of year	\$ 2,589,487	\$ 2,584,782
Preservation of capital	34,490	4,706
Endowment fund balance, end of year	\$ 2,623,977	\$ 2,589,488
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	\$ 255,298	\$ 426,889
Realized investment (loss) income	443,599	(93,315)
Bursaries awarded	(57,742)	(78,276)
Expendable balance, end of year	641,155	255,298
Number of bursaries awarded	48	61
Market value of endowment	\$ 3,864,844	\$ 3,054,867

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

10. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS (continued)

(b) OSOTF II:

	2021	2020
Schedule of Changes in Endowment Fund Balance		
Endowment fund balance, beginning of year	\$ 2,585,735	\$ 2,581,036
Preservation of capital	34,440	4,699
Endowment fund balance, end of year	\$ 2,620,175	\$ 2,585,735
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	\$ 255,153	\$ 426,495
Realized investment (loss) income	442,956	(93,180)
Bursaries awarded	(57,658)	(78,162)
Expendable balance, end of year	640,451	255,153
Number of bursaries awarded	48	61
Market value of endowment	\$ 3,859,467	\$ 3,050,664

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

11. ONTARIO TRUST FOR STUDENT SUPPORT

Net assets restricted for endowments include monies provided by the Government of Ontario from the Ontario Trust for Student Support matching program to award student aid as a result of raising an equal amount of endowment donations.

The College has recorded the following amounts in this program:

	2021	2020
Schedule of Changes in Endowment Fund Balance		
Endowment balance, beginning of year	\$ 6,363,625	\$ 6,352,059
Preservation of capital	84,758	11,566
Endowment fund balance, end of year	\$ 6,448,383	\$ 6,363,625
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	\$ 640,608	\$ 1,079,730
Realized Investment (loss) income	1,122,442	(246,760)
Bursaries awarded	(141,900)	(192,362)
Expendable balance, end of year	\$ 1,621,150	\$ 640,608
Number of Bursaries awarded	117	151
Market value of endowment	\$ 9,543,315	\$ 7,520,505

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

11. ONTARIO TRUST FOR STUDENT SUPPORT

Net assets restricted for endowments include monies provided by the Government of Ontario from the Ontario Trust for Student Support matching program to award student aid as a result of raising an equal amount of endowment donations.

The College has recorded the following amounts in this program:

	2021	2020
Schedule of Changes in Endowment Fund Balance		
Endowment balance, beginning of year	\$ 6,363,625	\$ 6,352,059
Preservation of capital	84,758	11,566
Endowment fund balance, end of year	\$ 6,448,383	\$ 6,363,625
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	\$ 640,608	\$ 1,079,730
Realized Investment (loss) income	1,122,442	(246,760)
Bursaries awarded	(141,900)	(192,362)
Expendable balance, end of year	\$ 1,621,150	\$ 640,608
Number of Bursaries awarded	117	151
Market value of endowment	\$ 9,543,315	\$ 7,520,505

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

13. SERVICE COSTS (continued)

During 2009, the College and University began reviewing the organization of the integrated services departments in order to best serve both institutions going forward. In the review, a need was recognized for both the College and University to have certain dedicated teams to meet each of the institutions' objectives and, as such, some of the departments were segregated.

Both institutions have continued to review the remaining services to formalize service level agreements where collaboration is required. During 2011, a master service level agreement was signed and service level agreements for three departments were finalized. During 2012, a subsequent Memorandum of Agreement in Principle was signed with the remaining service level agreements to be finalized in 2015. In March 2015, a new Service Level Agreement was signed further clarifying the expectations and obligations of each party. The Agreement is effective April 1, 2015 and shall continue until terminated in writing by the Parties in accordance with the Agreement or until April 1 of any year in which there are no Services to be provided under any Work Description Document or a Statement of Current Practice.

14. COMMITMENTS

Premises and equipment

Future minimum lease payments, exclusive of taxes and operating costs, for premises and equipment under operating leases at March 31, 2021 are as follows:

2022	\$	302,573
2023		208,846
2024		97,755
	\$	609,174

The College has a commitment with a third-party contractor to construct The Skills Training Centre. As at March 31, 2021, outstanding commitments are \$11,548,704. In addition, the College has a long-term liability for the construction, maintenance and operation of the student residence in Whitby which has been disclosed in note 7.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

15. CONTINGENCIES

The College is involved in various legal actions that are within the normal course of operations. In the opinion of management, any resulting liabilities are not expected to have a material adverse effect on the consolidated financial position or net operations.

16. GUARANTEES

The College's primary guarantees are as follows:

- (a) Indemnity has been provided to all directors and or officers of the College for various items including, but not limited to, all settled suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a governor, director or officer of the College. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) In the normal course of business, the College has entered into agreements that include indemnities in favour of third parties, such as student work placement agreements, purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.
- (c) The College received approval from the Ministry of Finance, Ontario to guarantee \$220,000,000 in Series A Debentures for the Ontario Tech University. These debentures bear interest at 6.35%, payable semi-annually, with the principal due in 2034. The outstanding balance of the debenture debt on the financial statements of the Ontario Tech University at March 31, 2021 was \$151,543,488 (2020 - \$158,105,761).

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2021

17. SIGNIFICANT EVENT

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus, the “COVID-19 outbreak”. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. On March 24, 2020 the College closed its campuses and learning sites and they remain closed to the date of the auditor’s report. The College delivered its curriculum online following the closure of its campus, and plans to continue to deliver its curriculum online until provincial regulations ease and the College deems it safe to do so. The closure of the College’s campus throughout the fiscal year had a negative impact on all revenue streams with the exception of grants and reimbursements. The decrease in tuition revenue was mainly derived from the decrease in international student enrolment caused by travel restrictions imposed by the Canadian government, while the decrease in other revenue streams such as ancillary operations and rental income were directly related to the campus closure. Grants and reimbursements increased due to one-time funding received from the MCU. The closure of the College’s campus also resulted in reductions in certain operating expenses, including salaries and benefits, utilities, maintenance and taxes and supplies and other expenses. On an overall basis, the impact of the COVID-19 outbreak resulted in a deficit for the College for the year. This deficit was reduced by the Support Fund for Postsecondary Institutions as a result of COVID-19 in the amount of \$7,072,000 received from the Ministry of Colleges and Universities.

As the impacts of the COVID-19 outbreak continue, there could be further impact on the College, its students and its funding sources. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, and its workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the College is not able to fully estimate the effects of the COVID-19 outbreak on its future results of operations, financial condition, or liquidity at this time.

