

TOGETHER, WE'RE LEADING THE WAY

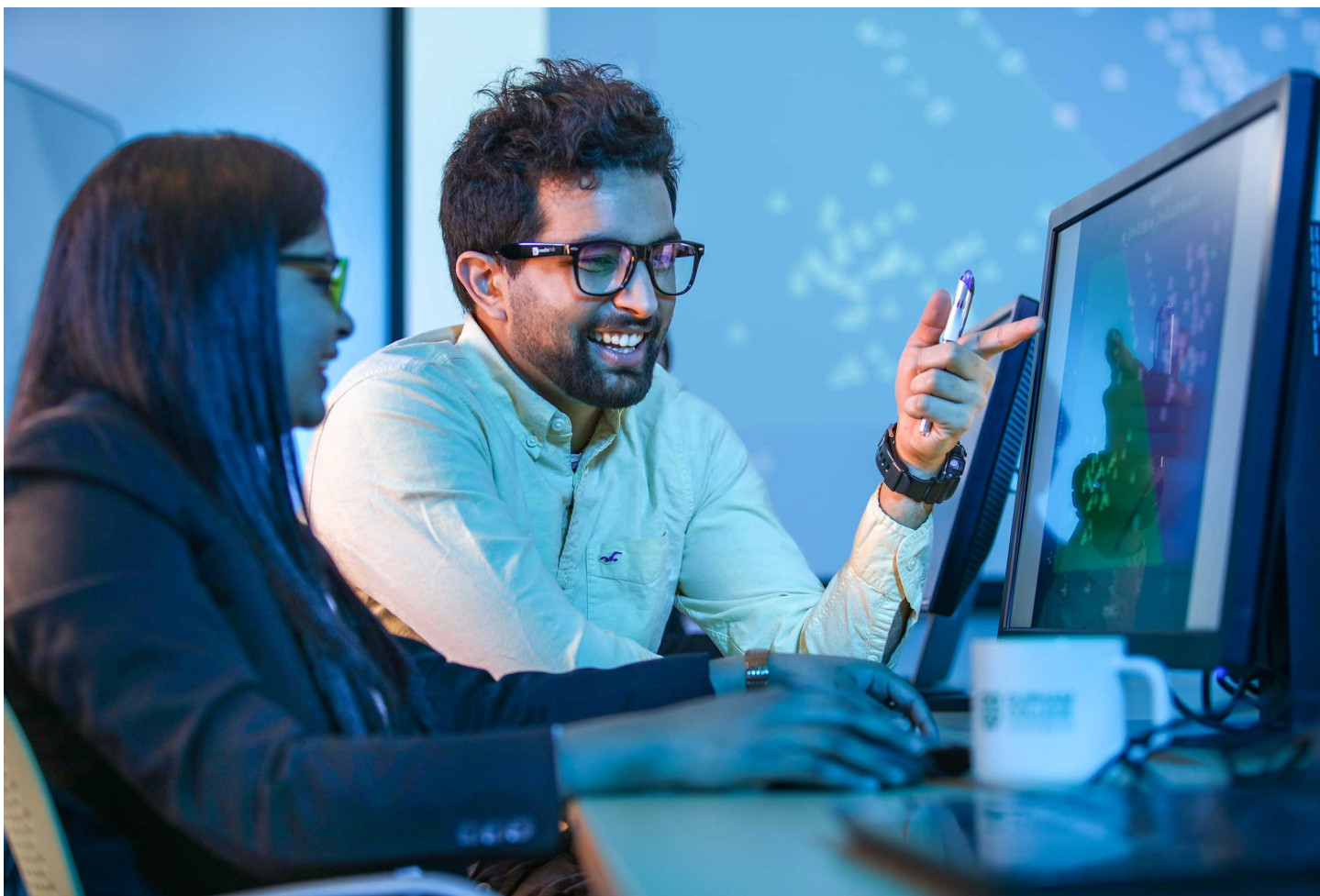
# STRONGER THAN EVER





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## MESSAGE FROM THE PRESIDENT

As the world continues to navigate uncertainty, Durham College (DC) has taken careful and necessary steps to protect our campus community, while continuing to offer an innovative and transformational educational experience. Despite the challenges we faced in the pandemic's second year, the college's commitment to our mission – **Together, we're leading the way** – remained steadfast and strong.

This year's annual report features a number of stories that highlight the inspiring collaboration, innovation and determination exemplified by every member of our campus community over the last year. From the remarkable efforts of our employees to pivot from in-person to remote and hybrid learning and service delivery and back again, to the resilience of our students, to the commitment of our community partners, these stories demonstrate how DC is leading the way in everything we do.

Our partnerships with key organizations, corporations and community partners, reinforce the importance of collaboration to support education, training and skills development. As a leader in applied research, DC is proud to continue its involvement in a number of socially innovative research projects, identifying practical and actionable solutions that can positively impact the lives of people in our very own community.

The launch of DC's Innovation and Disruption Catalyst Group is just one of the many opportunities that have emerged as a result of our collective experience throughout the pandemic. This group, with representatives from across the college, will help support and foster a culture and mindset of innovation.

These achievements would not have been possible without the unwavering support of our Board of Governors, executive team, staff, students, industry and community partners, who have motivated us to forge a new path as leaders in post-secondary education in a time like no other.

As we emerge from the pandemic and look back to celebrate the many achievements of the past year, I am encouraged about lies ahead, confident in the knowledge that our community can rise to any challenge and overcome obstacles to achieve great things. Together, we are leading the way.



Sincerely,

A handwritten signature in black ink, reading "Don Lovisa".

**Don Lovisa**  
President, Durham College



## OUR MISSION

# TOGETHER, WE'RE LEADING THE WAY.

## OUR VISION

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

## OUR VALUES

- » Collaboration
- » Diversity and inclusion
- » Excellence
- » Innovation
- » Integrity
- » Respect
- » Social responsibility

# HIGHLIGHTS FROM THE PAST YEAR

Our commitment to innovation in teaching and learning, coupled with strong local and global partnerships, have ensured DC continues to thrive. 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 demonstrate how our students, our people, our work and our community are vital to our success as an institution.

The following stories highlight how, at DC, we're leading the way.





## OUR PILLARS

### OUR STUDENTS ARE LEADING THE WAY

With change comes possibility and our students seized every opportunity to learn, grow and make a difference. They demonstrated incredible resilience and the ability to adapt while believing in the notion that despite the challenges, this was “their year” to shine.

Discover how our students are leading the way, forging their own paths to a bright and successful future.

“Demonstrating their talent, this time on a national stage, our students rose to the challenge, taking the technical, hands-on skills they have been honing during their studies at Durham College and applying them with innovation, creativity and passion to their respective competition challenges. We are extremely proud of their success.”

DR. ELAINE POPP,  
EXECUTIVE VICE PRESIDENT, ACADEMIC, DURHAM COLLEGE

#### DURHAM COLLEGE BECOMES FIRST CANADIAN POST-SECONDARY INSTITUTION TO WIN PCMA NORTH AMERICAN STUDENT CHALLENGE

A team of Durham College (DC) Event Planning students were announced as winners of the Professional Convention Management Association (PCMA) North American Student Challenge. In its first year participating, DC is the only Canadian post-secondary institution to reach the finals in this prestigious competition, bringing distinction to both the Event Planning program and the college on an international stage. Emily Last, Michelle Corradetti, Naomi Brock, Nicole Rayment and Ryan Windsor – all second-year Event Planning students – competed against 12 other schools, with 21 submissions, to proudly bring the winning title home to DC.

This year’s theme, Combatting Human Trafficking, tasked competitors with building an event proposal that focused on educating the hospitality industry on the impacts of this real-life issue. After developing their in-depth proposal, the students virtually presented their plans to a committee of event planning professionals, which were recorded and shared across the industry globally.

“Being the first and only winning Canadian post-secondary is an incredible achievement for Durham College,” says Tony Doyle, dean, School of Hospitality & Horticultural Science. “The success of our students speaks to their dedication to learning and perfecting their skills, the strength of the program’s ability to prepare them to be future leaders in their chosen sector, and our industry-connected faculty who champion them along the way.”

Throughout the course of the project, the students learned how to use the knowledge and experiences they’ve acquired in class to develop meaningful events as part of their studies and gained insight into the skills required to succeed as industry.

#### DC STUDENTS EARN PODIUM FINISHES WITH A GOLD AND TWO BRONZE AT THE SKILLS CANADA VIRTUAL NATIONAL COMPETITION

Three Durham College (DC) students are celebrating after successfully finishing on the podium at the Skills Canada Virtual National Competition (SCVNC).

Held in June 2021, Mark Steele won gold for IT Network Systems Administration, while Cameron Billingham and Glesy Panaga, claimed bronze for Photography and Baking.

Designed to engage Canadian youth by promoting careers in skilled trades and technologies, the SCVNC is the largest trade and technology competition event of its kind in the country for apprentices and young students.

Steele, Billingham and Panaga earned their place at the event after winning gold in their respective categories at the 2021 Skills Ontario competition.

“Once again these three students rose to the occasion,” said Dr. Elaine Popp, executive vice president, Academic, Durham College. “They’ve continued to demonstrate their talent, this time on a national stage, taking the technical, hands-on skills they have been honing during their studies at Durham College and applying them with innovation, creativity and passion to their respective competition challenges. We are extremely proud of their success.”

Skills Canada is a national, not-for-profit organization which partners with Skills Canada organizations in each of the provinces and territories, and works with employers, educators, labour groups and governments to promote skilled trade and technology careers among Canadian youth.

#### DC STUDENTS WIN BIG AT MICROSOFT OFFICE SPECIALIST CANADIAN NATIONAL CHAMPIONSHIP 2021

In June 2021, seven Durham College (DC) School of Business, IT & Management students competed against their peers at the Microsoft Office Specialist (MOS) Canadian National Championship 2021. Hosted by CCI Learning, an education technology company, the MOS competition tests the skills of students aged 13 to 22 years old in Microsoft Office applications.

Students were tasked with taking certification exams for Microsoft Office Word, PowerPoint and Excel, with the highest scores determining who placed at the top of each category.

At the end of the competition, four DC students placed across all categories, with Maggie McCrimmon taking first place and Hayden Ellis placing third in the Microsoft PowerPoint (Microsoft 365 Apps & Office 2019) category. Brandon Linde also placed first in the Microsoft Word (Microsoft 365 Apps & Office 2019) category, while Garret Duncan took third place in the Microsoft Excel (Microsoft 365 Apps & Office 2019) category.

All winners received a medal of achievement and certificate, while the first-place students received a \$1,500 scholarship, and have been invited to represent Canada at the MOS World Championship 2021 competition.

## OUR PEOPLE ARE LEADING THE WAY

With an unwavering commitment to the success for our students, DC employees provided innovative learning environments, supportive services and an unwavering commitment to innovative and transformative education that defines the DC experience.

As the industry continues to evolve in response to digital technology, Brian has demonstrated that journalism programs are worthy of continued investment at a higher education level, and we are very fortunate to have his sense of perseverance and passion at Durham College.

**GREG MURPHY,**  
EXECUTIVE DEAN, SCHOOL OF MEDIA, ART & DESIGN

### DC FACULTY BRIAN LEGREE WINS EXEMPLARY LEADERSHIP AWARD FOR INNOVATION IN JOURNALISM STUDIES

Nominated for his work as program co-ordinator of Durham College's (DC) Journalism – Mass Media program, Brian Legree, professor, School of Media, Art & Design (MAD) was the recipient of the Chair Academy's 2021 Exemplary Leadership Award.

The award recognizes achievements that advance academic and administrative leadership in higher education organizations. For 30 years, the Chair Academy has hosted the International Leadership Conference as an opportunity for leaders from all levels to share ideas, issues and challenges faced in the higher education sector.

Brian successfully introduced the "working newsroom" concept in 2018 as a teaching and learning model that combines work-integrated learning, collaboration with community partners and international opportunities to provide students with a rich educational experience.

"Brian's ability to uncover and incorporate innovative methods that support the study of journalism has truly been inspiring," says Greg Murphy, dean, School of Media, Art & Design. "As the industry continues to evolve in response to digital technology, Brian has demonstrated that journalism programs are worthy of continued investment at a higher education level, and we are very fortunate to have his sense of perseverance and passion at Durham College."

Anyone who has crossed paths with Brian, whether as a student or a colleague, has likely heard his mantra: "It's a good day for journalism." The DC community shares Brian's sentiment, and offers their congratulations on receiving this momentous award.

### DURHAM COLLEGE PROFESSOR WINS GOLD MEDAL FOR CYBERSECURITY INVENTION AT INTERNATIONAL COMPETITION

Leading the way to global spotlight for Durham College (DC), Dave Palachik, a part-time professor in the Electronics Engineering Technology program, was awarded with a gold medal in the Software Invention category at the 6th Annual International Invention Innovation Competition for his Quantum Resilient Encryption cybersecurity solution.

Organized by the Toronto International Society of Innovation & Advanced Skills, the competition saw 652 inventions submitted by competitors from more than 70 countries worldwide within a diverse selection of categories, from bicycle improvements and EEG brain wave detection, to diagnostic medical bandages and more. Gold medal winners were judged by a Board of Advisors and judges from organizations across the globe.

Palachik's Quantum Resilient Encryption will have real-world application to help prevent super-machines and new Quantum computers from decoding transmitted data.

### DC FACULTY JAY FISHER RECEIVES JOHN DOBSON ENACTUS FELLOW OF THE YEAR AWARD

Jay Fisher, a faculty member in Durham College's (DC) School of Business, IT & Management and lead faculty advisor for the EnactusDC team, has been recognized with a John Dobson Enactus Fellow of the Year award for his outstanding contribution in advancing entrepreneurial learning at the post-secondary level. The award was presented virtually at the 2021 Enactus Canada National Exposition.

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.

Jay has played an instrumental role in weaving entrepreneurship into the fabric of the college. A business instructor at DC for nearly 12 years, in 2017 Jay led the EnactusDC team to the Regional competition and National Exposition in British Columbia. That same year, he was inducted as a John Dobson fellow and also received the Rookie Faculty Advisor of the Year award at Nationals.

Jay continues to advise the EnactusDC team, coaching and mentoring hundreds of student entrepreneurs as they work to make their business ideas a reality. Last year, he coached the team in the 2021 Enactus Regionals Competition, where they placed first for Central Canada.

"The mentorship that the team and I have received from Jay has changed our lives," says Heather Brown, president of EnactusDC. "The paths we walk now are stronger and more successful because of his guidance and the positive impact it has had. Jay has instilled the confidence, awareness and drive it takes for students to become leaders. He fosters social consciousness and commitment to creating a better world, and always reminds us that what we do for the world is just as important as what we do for ourselves."

Through his role with EnactusDC, Jay has also found new opportunities to introduce community partners to the college and Enactus organization, demonstrating an undeniable commitment to social innovation.

"The John Dobson Enactus Fellow of the Year award is well-deserved recognition of Jay Fisher's outstanding contributions to the Enactus team and his persistent efforts in advancing entrepreneurship at Durham College," says Debbie McKee Demczyk, dean, Office of Research Services, Innovation and Entrepreneurship. "As a John Dobson Enactus Fellow since 2017, Jay has led Durham College's Enactus team with creativity, passion and commitment, and the students are fortunate to have a dedicated mentor and coach in Jay."





## OUR WORK IS LEADING THE WAY

After transforming the way we work, learn and live, we slowly welcomed the return of many pre-pandemic campus operations and activities, allowing DC to celebrate some of the many initiatives that were, in some cases nurtured during, while others were brought to completion throughout the pandemic.

With opportunities to attend once again grand opening events and announcements to celebrate successes with colleagues and industry partners in-person, these achievements brought a much-needed sense of normalcy back to our campus community, demonstrating how DC continued to innovate in the face of uncertainty.

“When the students saw how much Professor James enjoyed his work, it offered a glimpse into some of the incredible career possibilities that are available in the robotics field. We are very grateful to collaborate with Durham College and look forward to future learning opportunities.”

**TERRI PELLERIN**  
GRADE 8 TEACHER, KEDRON PUBLIC SCHOOL

### DURHAM COLLEGE LEADS THE WAY IN SKILLED TRADES AND TECHNOLOGY TRAINING WITH NEW FACILITY

On April 21, Durham College (DC) welcomed donors, community partners, employees and guests to experience the grand opening of the Ontario Power Generation Centre for Skilled Trades and Technology (CSTT). Located at the Whitby campus, the 60,000-square-foot facility is home to numerous specialized labs and shops, which will allow DC to increase its industrial skilled trades training capacity in Whitby by 750 students.

Given the skilled labour shortage at the regional, provincial and national level, this project could not come at a better time, with Colleges Ontario forecasting that by 2030 the province will face a shortage of more than 500,000 workers in the skilled trades.

The milestone grand opening event featured tours of the CSTT; an Indigenous blessing given by Senator Cecile Wagar from the Oshawa and Durham Métis Council; an official ribbon cutting; and remarks from individuals representing DC students, alumni, employees and local community partners.

“This incredible new facility will help bring student success to life, creating opportunities to advance innovation and knowledge and providing a career launchpad for the next generation of skilled tradespeople,” said Don Lovisa, president, DC. “The generosity and support from our community is an investment in our collective success and our students’ futures, and core not only to the successful completion of this building but to the entire revitalization of the Whitby campus as we continue to lead the way in transformative education.”

Partnering with DC to help fund the expansion is Ontario Power Generation (OPG), whose name adorns the front of the CSTT to honour and recognize the deep-rooted partnership the two organizations enjoy and acknowledge OPG’s long-standing support of both DC and its students over the last 20 years.

“This state-of-the-art facility is just the latest in Ontario Power Generation’s decades’-long partnership with Durham College,” said Subo Sinnathamby, senior vice president, Nuclear Refurbishment, OPG. “This partnership helps educate and train career-ready graduates to build a diverse population of potential employees for the energy sector in skilled trades and STEM. Now more than ever, we need skilled, talented and qualified graduates to support our current and future operational and project needs.”

In less than three years, the DC Building for Skills campaign has raised \$9.5 million toward the \$10 million in community support required to fully fund the \$35 million project, which includes generous funding from the Region of Durham, the Town of Whitby and the Durham College Student Association (DCSA), in addition to donations and gifts from individuals, corporations and foundations. Fundraising activities continue in an effort to close the gap, with an aim to complete the campaign this spring.

### DURHAM COLLEGE LAUNCHES THE BARRETT CENTRE OF INNOVATION IN SUSTAINABLE URBAN AGRICULTURE

In an effort to combat food and farming challenges emerging both within the industry and broader community, while championing excellence and innovation in urban farming, Durham College (DC) announced the official launch of The Barrett Centre of Innovation in Sustainable Urban Agriculture (The Barrett Centre). Established thanks to a \$5-million donation from The Barrett Family Foundation, its vision is to become an internationally recognized hub of excellence in urban agriculture practices, research, education and training.

“The Barrett Centre is an amplification and expansion of all the expertise we’ve gained bringing the field-to-fork philosophy to life each and every day in our food, farming and horticulture programs”, said Don Lovisa, president, Durham College. “The knowledge and experience gained from turning unused fields into a vibrant crop-bearing farm serves as a solid foundation for what The Barrett Centre will accomplish, and we are looking forward to continuing to lead the way together, with The Barrett Foundation, our students, faculty and the community.”

At the heart of the work will be the building of a dynamic new urban farm that will be developed as a community-inspired living lab in the coming years. In addition, the centre will:

- » Enhance the existing urban farm at the Durham College Whitby campus.
- » Become a source for information, support and coaching for traditionally underserved and marginalized communities when it comes to urban agriculture initiatives including food security.
- » Create a comprehensive and connected array of educational programs and materials in urban agriculture will be to meet growing employment needs.
- » Create dozens of new opportunities in the years ahead for students to gain experience working on urban farms and in roles supporting the operations.
- » Become home to a team of highly respected experts working to establish it as an internationally recognized hub of knowledge around sustainable urban agriculture.

“Our goal as a foundation is to partner with organizations that positively impact communities, locally and globally,” said Bob Barrett, The Barrett Family Foundation. “With its focus on sustainable agriculture, coupled with student learning and research, The Barrett Centre stands to do just that. We are really looking forward to seeing all the great work that will be achieved.”



## DC INSPIRES KEDRON P.S. STUDENTS WITH MENTORSHIP PROGRAM AND ROBOTICS LAB TOUR

The School of Science & Engineering Technology (SET) at Durham College (DC) continued to support community outreach efforts by partnering with Kedron Public School in Oshawa to offer an interactive mentorship program to students in Grades 6 through 8.

For more than seven years, Beau James, professor and program co-ordinator of SET's Electromechanical Engineering Technology (EMTY) program, has helped grow the project across a number of classrooms in Durham Region.

Over the last year, as elementary schools transitioned between in-person and online learning as a result of the pandemic, DC adapted its efforts to ensure the partnership was still supported. In March 2021, Beau and lab technologist, Steve Knihnisky led the first Virtual Robotics Work Cell Tour – a live-streamed tour of DC's Robotics Lab that covered topics corresponding to the students' recent Mechanical structures unit.

Leveraging the DC Integrated Manufacturing Centre's (IMC) live Internet Protocol (IP) camera, Beau highlighted the main components of the robot and illustrated how to move the robot around the workcell using an industrial joystick (teach pendant). The demonstration completed with cycling the robot automatically to move through various pre-programmed positions in space, on its own. Live

streaming while moving through areas of the lab allowed Beau to lead the tour while continuing to engage with the class. Students were given the opportunity to submit questions via the chat feature.

"The college's partnership with Kedron Public School exemplifies what community outreach is all about," says Dr. Rebecca Milburn, executive dean of the Schools of Science & Engineering Technology and the Skilled Trades, Apprenticeship & Renewable Technology. "Beau's ability to engage with the students and bring post-secondary awareness into the classroom at such an impressionable age allows the opportunity for youth to see what's available to them. As a leader in post-secondary education,

An added benefit of transitioning to a virtual learning model this year was the ability to expand "classroom" capacity to allow additional students from four classes to attend. Kedron P.S. students were excited to see inside a real robotics lab, one that is within walking distance from many of their homes.

"The virtual tour demystified some of the mystery about college," said Terri Pellerin, Grade 8 teacher, Kedron P.S. "When the students saw how much Professor James enjoyed his work, it offered a glimpse into some of the incredible career possibilities that are available in the robotics field. We are very grateful to collaborate with Durham College and look forward to future learning opportunities."





# OUR COMMUNITY IS LEADING THE WAY

The support of our broader community inspires our institution to achieve success in every thing we do. As we continue to grow and offer options that are responsive to industry needs and market demands, we recognize we are part of a community committed to success and driven by a shared purpose, confident that together with our partners, we are leading the way to a prosperous future.

"This collaboration with Durham College is precedent setting. Bringing educators, the business community and students together across municipalities to deliver strategic programing supports our collective desire to nurture talent in our region. This partnership ensures we have the workforce to sustain the continued growth and prosperity of our communities."

## DURHAM REGION JOINT CHAMBERS AND BOARDS OF TRADE

### DURHAM COLLEGE'S YOUTH JUSTICE AND INTERVENTION STUDENTS LEADING THE WAY IN HUMAN TRAFFICKING PREVENTION

Durham College (DC)'s Youth, Justice and Interventions program (YJI) hosted the 10th annual Youth Justice Symposium on March 24, 2022, in partnership with Victim Services Durham Region (VSDR). Each year, a topic impacting young Canadians is selected as the focus of the event. This year's chosen issue was Human Trafficking Prevention, identified by VSDR as an important subject for youth aged 12 to 15 to understand.

YJI students were tasked with developing a curriculum for grades 7 to 10 which addressed gender empowerment, internet safety, healthy relationships and human trafficking. They also created lesson plans and activities to facilitate teaching and learning about human trafficking, garnering strong positive feedback from participants. In fact, the symposium was viewed online in classrooms across the Durham and Kawartha regions by 9,000 students and more than 500 educators and principals.

"Our Youth, Justice and Interventions program students were so excited to see the results of their work come together with such success," says Joanne Spicer, interim associate dean, School of Justice and Emergency Services. "Not only do they achieve the sense of accomplishment that comes from developing and running a conference, but they also learn the importance of working as a team, fostering collaborative community relationships and delivering an impactful event."

YJI participants left with the knowledge that their contributions and efforts for the symposium have directly and positively impacted the lives of the attendees, helping make a better future. DC is proud of the successful community partnership and would like to recognize the impressive efforts of the YJI program students who worked so diligently to improve the community by raising awareness on the threat of human trafficking and the actions that help to prevent it.

### DURHAM COLLEGE PERSONAL SUPPORT WORKER STUDENTS COLLABORATE WITH THE CITY OF OSHAWA FOR REWARDING EXPERIENTIAL LEARNING OPPORTUNITY

Durham College (DC) students enrolled in the Personal Support Worker (PSW) program had a unique opportunity to learn outside of the classroom as a result of a collaboration between the college and the City of Oshawa. Recognizing the impacts COVID-19 has had on many vulnerable populations, PSW students studied the challenge of isolation in older adult communities during the pandemic and explored ways to address their unique needs, given that many do not have the financial resources or abilities to use digital technology.

Working with the Oshawa Senior Community Centres (OSCC55+), the students implemented a number of programs in response to the identified challenges, including:

- » Pen pal initiative, delivering cards and letters to isolated seniors.
- » Reading buddies, which paired isolated seniors with students who would read stories by phone.
- » Senior-hour video segments, created by students from DC's Future Writing and Publishing Course as a way to highlight the PSW student initiatives. The segments were made available to OSCC55+ clients through their website.

The collaboration offered students the chance to gain meaningful, first-hand experience in their future industry, while responding to real-life issues taking place in their own community.

### DURHAM COLLEGE ANNOUNCES PARTNERSHIP WITH CHAMBERS OF COMMERCE AND BOARDS OF TRADE ACROSS DURHAM REGION

Durham College (DC) announced a region-wide partnership between the college's School of Business, IT & Management (BITM) and the eight Chambers of Commerce and Boards of Trade located in Durham Region. Launched in Fall 2021, this partnership provides every first-year BITM diploma student a membership in all Durham Region Chambers and Boards of Trade for the duration of their studies, plus an additional year following graduation.

The goal of this partnership is to enhance their experience by helping students jumpstart their careers. Membership to the municipal Chambers of Commerce and Boards of Trade will grant students access to events where they can meet local professionals and potential future employers, develop key relationships in the industry and engage in professional development opportunities.

"Partnering with Durham Region's Chambers of Commerce and Boards of Trade will provide exciting and unique educational opportunities for students to develop an understanding of the community's business sector and create meaningful connections with industry members within it," says Kevin Baker, executive dean, School of Business, IT & Management.

Sharing a dedication to fostering business communities through connection, learning and leadership, DC is proud to be partnering with the following:

- |                                      |  |
|--------------------------------------|--|
| » Ajax-Pickering Board of Trade      | » Newcastle and District Chamber of Commerce |
| » Brock Board of Trade               | » Scugog Chamber of Commerce                 |
| » Clarington Board of Trade          | » Uxbridge Chamber of Commerce               |
| » Greater Oshawa Chamber of Commerce | » Whitby Chamber of Commerce                 |

Speaking to this new partnership and the benefits it brings to the education and business communities, the Durham Region joint Chambers and Boards of Trade said, "this collaboration with Durham College is precedent setting. The Chambers and Boards of Trade in Durham Region are thrilled to participate in this initiative. Bringing educators, the business community and students together across municipalities to deliver strategic programing supports our collective desire to nurture talent in our region. This partnership ensures we have the workforce to sustain the continued growth and prosperity of our communities."

As the first partnership of this magnitude, Durham College is looking forward to elevating the student experience and leading the way for future partnerships to be developed and explored.



# ADDITIONAL SUCCESS STORIES TO CELEBRATE THIS YEAR

## LEADING THE WAY IN OUR GLOBAL COMMUNITY

DC is home to 1,900 international students, representing more than 70 countries, and also leads the way in international education through global projects focused on skills development, training and opportunities for knowledge exchange with other institutions worldwide.

### INTER-MINISTERIAL WORKSHOP COLLABORATION

Since 2021, DC has led a partnership with Vancouver Island University and Fanshawe College to complete five inter-ministerial workshops with the Ministries of Education in Columbia, Mexico, Peru and Chile, that developed four national Technical and Vocational Education and Training (TVET) post-secondary education initiatives. As part of the Pacific Alliance Education for Employment Program, the project places an emphasis on women in education. This two-year partnership is funded by the Government of Canada, and co-ordinated by Colleges and Institutes Canada and will conclude in March 2023.

### KENYA EDUCATION FOR EMPLOYMENT PROGRAM

As a contributing member of the Kenya Education for Employment Program (KEFEP), DC has been involved in three additional Young Africa Works in Kenya projects, alongside other Canadian institutions, funded by Mastercard Foundation.

Despite the challenges and restrictions posed by the pandemic, six DC students and one faculty member successfully completed one long and six short documentaries that represent a comprehensive legacy of the KEFEP program. The project's success is a result of the strong collaboration between DC and our partners in Kenya, the dedicated leadership of DC faculty and the perseverance of our students.

The KEFEP program is designed to support the Ministry of Education and the Directorate of Technical and Vocational Education and Training (TVET) to strengthen the quality of skills training, increase effectiveness of institutions to deliver programs that meet industry needs and support the effectiveness of national Kenyan agencies to implement TVET reform initiatives.

<https://www.youtube.com/watch?v=2YoaNoP6awg>



### ARRIVING IN CANADA, SMOOTH SAILING

To ensure DC's international students had a successful and positive experience and to help them transition to life in Canada during the pandemic, the International Education Office organized a series of Arriving in Canada virtual drop in sessions. Topics included: navigating evolving quarantine rules; how to land a first job; and how to make friends.

Weekly sessions offered students a single information source for all travel-related queries and lessened anxiety around moving to Canada at an unprecedented time in history. Complemented by DC's International-Ask-Us-Anything sessions, which provided an opportunity for more than 4,000 international student visitors from 80 countries to speak with student support, admissions and finance, these virtual events provided a bridge for students as they navigated their journey to DC.



# LEADING THE WAY IN RESEARCH

As a leader in applied research, the college's Office of Research Services, Innovation and Entrepreneurship enjoyed a very successful, award-winning year, including the launch of the Social Impact Hub, the college's fifth applied research centre, and funding support for key projects and experiential learning opportunities for faculty and students.

## DURHAM COLLEGE RECEIVES MORE THAN \$106,000 IN FUNDING TO SUPPORT FIRST-EVER POSTDOCTORAL FELLOWSHIP

Durham College's (DC) Office of Research Services, Innovation and Entrepreneurship (ORSIE) is pleased to announce its first-ever postdoctoral fellowship, thanks to a Mitacs Accelerate grant totaling \$106,666, including a contribution and collaboration with the City of Oshawa's Fire Services through TeachingCity Oshawa.

Working with principal investigator Dr. Michael Williams-Bell, professor and research co-ordinator in DC's School of Health & Community Services, Postdoctoral Fellow Dr. David Brian Copithorne joins the ORSIE team for a two-year term to support an innovative new project using virtual reality to simulate uncontrolled fire scenarios and improve training for firefighters and other Public Safety Personnel using immersive, life-like simulation.

"It's an honour to be chosen as the college's first postdoctoral fellow," said Dr. Copithorne, who received his PhD from Western University. "The work we are undertaking using novel virtual reality simulation training is really going to enrich the firefighting training experience."

Thanks to technology found in DC's Mixed Reality Capture Studio, the physiological and psychological responses of firefighters that often occur during uncontrolled fire scenarios will be elicited. This will allow participants to be better prepared by learning to manage stressors and optimize their performance and well-being in real-life emergency situations, without the risk of injury, an outcome the City of Oshawa is looking forward to.

"We congratulate Durham College on its first-ever postdoctoral fellowship and we are excited to partner on this collaborative project," said Oshawa Mayor Dan Carter. "The virtual reality simulations developed by DC will complement real-life training scenarios and help Oshawa's firefighters master their skills."

The grant has also funded two undergraduate intern positions, which are being overseen by Dr. Williams-Bell.

"The Ontario government is proud to support initiatives where the talent and expertise of Ontario's PhD graduates is being leveraged to solve real-world problems through research and innovation," said Jill Dunlop, Minister of Colleges and Universities. "By investing in research internships, we are preparing the next generation of talent with the experience they need to get good jobs after graduation. We're also supporting employers, who are looking for students and graduates with hands-on experience so they can make an immediate impact in the workforce."

The addition of a post-doctoral fellow is one more way DC is expanding its applied research innovation and reach. "This is a very exciting opportunity for the college," said Debbie McKee Demczyk, dean, ORSIE. "As with all of our projects, faculty and students benefit from hands-on experiential learning, working to solve real-world challenges, while our partners are able to take advantage of our expertise and technology."

This is the third Mitacs Accelerate grant the college has been awarded. "We are proud to support Durham College's first postdoctoral fellowship and its commendable dedication to driving research and innovation in Canada," said Mitacs CEO Dr. John Hepburn. "Dr. Copithorne's virtual reality research will improve training for firefighters and safety for workers. We are very pleased to leverage provincial and federal funding to drive innovations that improve the lives of Canadians."

## DURHAM COLLEGE LAUNCHES FIFTH APPLIED RESEARCH CENTRE, THE SOCIAL IMPACT HUB

Over the last several years, through funded collaborations with community partners, Durham College (DC) has developed a distinct cluster of 14 valuable applied research projects focused on social innovation, receiving \$1,324,544 in overall funding. These projects tackle everything from homelessness and mental health, to equity and accessibility, training and more.

In June 2021, following the successful launch of DC's four previous applied research centres, the Office of Research Services, Innovation and Entrepreneurship (ORSIE) announced the opening of its new Social Impact Hub at a virtual event alongside numerous DC researchers, President Don Lovisa and John Henry, chair and CEO of The Regional Municipality of Durham and project partners.

"As a leading post-secondary institution and applied research centre, we are committed to exploring and developing solutions to the barriers our communities face," said Don Lovisa, president, DC. "The applied research being completed at Durham College underscores the importance of innovation and ingenuity, and I am incredibly excited to see how the Social Impact Hub will help address the gaps and inequalities that exist within our society through this lens."

By leveraging faculty expertise, student talent and strong community partnerships, researchers at the Social Impact Hub will continue their work to identify creative solutions to complex social challenges through leading-edge social innovation projects and initiatives.

Ongoing projects at DC in this area of research include:

- » Building Bridges Together: Co-production of Financial Empowerment Strategies with People Experiencing Low Income
- » Innovation Through Co-production: A Holistic Approach to Supporting Social Competency in Pre-school Children
- » Enriching Firefighter Training Through the Development of a Novel Virtual Reality Training Simulation for Personalized Precision, Skill and Resilience Training
- » Enhancing Virtual Mentorship to Reduce Social Isolation of Youth
- » Support for Parents with Intellectual and Developmental Disabilities

DC researchers have also completed a number of projects, including the unique Co-design of a Youth-led Housing Hub: Developing a Unique and Scalable Housing Model for Youth Living on Their Own in Durham.





## LEADING THE WAY IN ATHLETICS

From representing DC on the playing field and on the podium, to being recognized for academic and athletic excellence, the Durham Lords and our student athletes had a lot to celebrate this past year.

### DURHAM COLLEGE RECOGNIZES 65 STUDENT ATHLETE ACADEMIC AWARD WINNERS

The Durham Lords proudly recognized 65 student-athletes for their academic achievements in 2021-2022, including four student-athletes who earned Academic All-Canadian Awards. The CCAA's most prestigious student-athlete award is presented to a student-athlete who has been named to their respective conference all-star teams in a CCAA sport and achieve honours standing.

### HILDEBRANDT, HOOPER AND FRASER NAMED DURHAM COLLEGE ATHLETES OF THE YEAR

Durham College (DC) was proud to honour three student-athletes as Mia Hildebrandt (Women's Volleyball), Devyn Fraser (Women's Volleyball/Golf) and Malcolm Hooper (Men's Rugby) were named DC's 2021-2022 Athletes of the Year. Celebrating its 50th year, DC's athletic banquet welcomed the return of an in-person celebration, offering students, coaches and employees the chance to recognize the incredible successes of our students.

### DURHAM COLLEGE ATHLETES LEAD TO WAY TO THE PODIUM

Our student-athletes proudly represented Durham College (DC) on the podium as six athletic teams took home winning titles last year, including:

- » Women's Softball (Gold)
- » Women's Rugby (Silver)
- » Men's Rugby (Bronze)
- » Men's Indoor Soccer (Bronze)
- » Women's Golf (Bronze)
- » Women's Volleyball (Bronze)

With their golf medal win the women's softball program claimed their 21st OCAA softball championship banner in school history, adding to a legacy as the most decorated individual league team in the Ontario Colleges Athletic Association (OCAA).





# LEADING THE WAY IN ALUMNI SUCCESS

Durham College is proud to celebrate the incredible ways our graduates are leading the way in industries all across the globe. A community more than 100,000 members strong who are making a positive difference in the lives of others, our alumni are making their mark and making a difference every day.

## DC GRAD LAUNCHES INCLUSIVE BANDAGE BRAND HEAL IN COLOUR

For Tianna McFarlane, a Durham College (DC) Supply Chain and Operations – Business (formerly Business Operations) alumna, starting her own company had always been a lifelong dream – but the opportunity to create something significant didn't present itself until 2019, when she was inspired during a simple trip to the drugstore to buy bandages.

As she searched for one that could cover a cut on her own leg, the lack of products for people of colour was striking. While there were plenty of nude, pink and even purple colours, there was nothing that she felt would blend in with her skin tone.

"In that moment I knew I had an opportunity to bridge the gap and create my own brand of adhesive bandages for Black and brown skin," recalls Tianna, who spent the next two years laying the groundwork for her company Heal in Colour.

As Tianna worked to get her product to market, she leaned into grit and perseverance, as well as the knowledge gained during her time at DC, to make her dream a reality. Her project management training aided in the creation of timelines and action plans to keep the project on track, and she analyzed the seven Ps (product, price, promotion, place, packaging, positioning and people) to determine a strategic launch and marketing plan to reach her target audience.

The hard work paid off quickly, with Tianna receiving impressive news coverage soon after the product launch in April, and already more than \$3,500 in sales. With Heal in Colour now available in the Canadian and U.S markets, consumers across the continent are already rallying around this innovative new product.

Tianna is continuing to dedicate herself to making Heal in Colour a household name – with a strong growth and expansion plan already in place to offer new products in the near future, such as athletic wraps and waterproof bandages. She also hopes to provide bandages to hospitals, long-term care facilities, universities and colleges, elementary schools, daycares and more.

## DC GRAD NOMINATED FOR DAYTIME EMMY® AWARD AND JAMES BEARD FOUNDATION AWARD

Kristin Atwood, an alumna of the Durham College (DC) Culinary Management program, has been combining her passion for food and filmmaking since graduating in 2017. What began as a freelance gig creating media content for local restaurants, has since evolved into an award-winning independent production company called Chef Studio, where she produces cooking tutorials and web series that bring the joy and magic of cooking to digital streaming and video-on-demand platforms.

With more than 5 million views on her channel, Kristin has been able to turn Chef Studio into a thriving full-time job, allowing her to showcase her creativity and skill in cinematography, as well as her culinary prowess as she helps others learn to cook. It's also landed her two incredible nominations.

In June 2021, her At Home Pasta series was nominated for an Emmy® Award – which recognizes outstanding achievement in daytime television – in the Outstanding Single Camera Editing category. The seven-part series was inspired by the lack of kitchen staples available in grocery stores during the early part of the COVID-19 pandemic, when "panic buying" was at its worst. Using a few simple ingredients, Kristin was able to develop unique recipes, like beet pasta or egg yolk and ricotta ravioli, and created short films that explain how viewers

could easily replicate these meals at home. The series was also nominated for two Webby Awards in the Best Food and Drink and Best How-To, Explainer and DIY categories.

Prior to her Emmy nomination, Kristin was also recognized in 2020 with a prestigious nomination for a James Beard Foundation Award – America's most coveted and comprehensive honour for chefs, restaurants, journalists, authors and other leaders in the food and beverage industry – for her series The Crumbly Bits. With a focus on creating something beautiful and delicious out of ingredients that would have normally been considered scrap, waste, wilted or worthless, Chef Studio's Cricket Macaron episode received its nomination in the Online Video, Fixed Location and/or Instructional category for its innovative take on culinary sustainability.

Kristin was also recently the recipient of an Alpha Female+ Grant. For her grant project, she intends to create a five-part series called Flight of the Bumblebees which will celebrate the beauty of spring and summer, and highlight the important work honeybees do during those seasons.

## SWITCHING GEARS – HOW ONE DURHAM COLLEGE GRAD'S RETURN TO POST-SECONDARY STUDIES AS A MATURE STUDENT PAID OFF

Jean-Paul Hernandez never imagined he'd be returning to school in his 40s. When it came time to enrol in Durham College (DC)'s Occupational Therapy Assistant and Physiotherapy Assistant (OTA and PTA) program, Jean-Paul was hesitant. Age aside, he had never lived outside Toronto, he was only a year into his relationship with his partner, and was worried about learning new skills in an entirely different field.

But everything changed at DC's 2018 Open House when he met Teresa Avvampato and Laura Maybury, program co-ordinators of the OTA and PTA program.

"They offered insight into the ways I could steer my life in a new direction – one that was aligned with my own values – to help make a difference in the lives of others. This, along with my partner's support, was all I needed to be convinced DC was the right place for me," said Jean-Paul, graduate.

From day one, Jean-Paul says it was clear that DC's student experience comes first and the college's commitment to mental health is supported by an abundance of resources that encourage staff and students to reach out. As a member of the deaf community, Jean-Paul was able to utilize the services of the Access and Support Centre to advocate on his behalf for newer assistive devices (hearing aids), computerized note takers and more time for exams in the Test Centre.

As graduation approached, Jean-Paul faced the difficult challenge of job-hunting in the midst of a global pandemic. Honing in on the skills he learned in the fourth semester of his Professional Practice course, which covered resume building and interviewing skills, Jean-Paul landed his first PTA role in a physiotherapy clinic just three months after graduation.

In June 2021, Jean-Paul became the newest member of the Canadian Physiotherapy Association's Board of Directors. With an interest in policymaking and strategic issues that are important to him, such as accessibility to physiotherapy services for those in the underrepresented BIPOC (Black, Indigenous and People of Colour) community, Jean-Paul is looking forward to serving the profession that has changed his life.

# DC BY THE NUMBERS

- » Top GTA Employer (for the **ELEVENTH** time)
- » Canada's Greenest Employer (for the **SIXTH** consecutive year)
- » **TOP 50** Research College (for the eighth time)
- » **100,000+** alumni connected through the green and gold
- » **2,400+** employees contributing to our students' success
- » **20,000+** part-time, continuing education and online registrations
- » **2 CAMPUSES** inspiring innovation and success in Oshawa and Whitby
- » **10,448** full-time post-secondary and apprenticeship students
- » **1,926** international students
- » **\$913+** million economic impact on Durham Region
- » **9,558** jobs supported in Durham Region



## APPENDICES

### 2021-2022 DURHAM COLLEGE BOARD OF GOVERNORS

- » Kristi Honey, chair of the Board
- » Gary Rose, vice-chair of the Board
- » Lisa Allen
- » Suzanne Beale
- » Elizabeth Cowie
- » Kelly Doyle, administrative staff representative
- » Nathan Wilson, academic staff representative
- » Gail Johnson Morris
- » Kunal Nagpal, student representative
- » Jennifer Powell, support staff representative
- » Kenneth Michalko
- » Dwight Townsend
- » Ian Ball
- » Ian Murray
- » Jerry Ouellette
- » 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

## SUMMARY OF ADVERTISING/MARKETING COMPLAINTS RECEIVED

During the 2021-2022 academic year, Durham College's Communications & Marketing office received no complaints related to the college's advertising/marketing efforts.

# OVERVIEW OF SUCCESSES AND ACHIEVEMENTS FOR THE PREVIOUS YEAR

Achieving the objectives outlined in the annual Business Plan each year is important to the success of the college's strategic plan. In 2021-2022 Durham College leadership extended the Strategic Plan for two years, which now runs from 2020-2025. 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.

This past year was quite successful despite continued hardships brought on by external events. Highlights of these achievements include:

## OUR STUDENTS

- » Created new opportunities for students to build resilience, competency, personal capacity and life enhancing skills by offering twenty virtual sessions during Career Month (November). This initiative included events such as Deloitte Tech Talk Series, Entrepreneurial Coffee Chats, a Virtual Job Fair Walkthrough and more to support our students' success in their careers.
- » Durham College, Ontario Tech University and Ontario Shores partnered together to build the Better Together Series: a social network for students to foster social connectedness and mitigate grief caused by COVID-19.

## OUR PEOPLE

- » Achieved GTA's Top Employers designation for the 11th year in a row in addition to being named one of Canada's Greenest Employers.
- » The Tell Your Story campaign launched this past winter, encouraging staff to upload ways their teams have been innovative. This campaign is part of a larger Innovation and Disruption Catalyst Group (IDCG) which will continue to explore ways to include all staff in brainstorming new solutions for our students and campuses.

## OUR WORK

- » To lead the development of transformational programming, services and systems a new full-time faculty orientation program was developed to reflect current digital/in-person approaches and best practices for teaching.
- » This year we began offering graduate certificate and diploma programs in the Faculties of Business and Health in a new, flexible weekend delivery format. This includes eight (8) programs so far and consists of synchronous and asynchronous learning to support students' needs for flexible program delivery.

## OUR COMMUNITY

- » As we strive to leverage and grow our positive impact on the communities we serve - the Young Women in Science, Technology and Trades event was held virtually this year with over 1,000 participants from Durham District School Board.
- » To strengthen our relationship with Indigenous communities, Durham College worked with Seven Generations Education Institute (SGEI) to deliver Paramedic Diploma programming.







# FINANCIALS

**DURHAM COLLEGE OF  
APPLIED ARTS  
AND TECHNOLOGY**

*Year ended March 31, 2022*



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## 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



Chief Financial Officer

June 8, 2022

## 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, 2022, 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, 2022, 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, 2022, 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.

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## Independent Auditor's Report (Continued)

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### 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  
June 8, 2022



# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY


## Consolidated Statement of Financial Position


Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash	\$ 72,418,717	\$ 26,225,591
Short-term investments (note 2)	661,539	6,396,664
Accounts receivable (note 2)	13,905,519	19,614,775
Current portion of long-term receivables (note 3)	590,020	682,040
Inventories	864,365	1,021,140
Prepaid expenses	319,316	181,826
	88,759,476	54,122,036
Long-term investments (note 2)	19,192,936	17,866,932
Long-term receivables (note 3)	7,569,864	8,159,884
Capital assets (note 4)	244,987,350	244,063,830
	\$ 360,509,626	\$ 324,212,682
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 70,489,893	\$ 41,902,277
Accrued vacation	7,517,245	9,017,280
Deferred revenue (note 5(a))	20,143,712	16,245,517
Current portion of debt (note 6)	4,293,241	4,421,979
	102,444,091	71,587,053
Term debt due on demand (note 6)	7,569,864	8,159,884
	110,013,955	79,746,937
Deferred contributions (note 5(b))	141,519,290	140,752,931
Long-term debt (note 6)	40,824,946	38,014,073
Derivative liability (note 6)	1,033,284	1,768,854
Long-term liability (note 7)	5,785,372	6,098,618
Post-employment, retirement benefits and compensated absences	4,665,065	4,775,440
	303,841,912	271,156,853
Net assets:		
Unrestricted		
Operating	(22,121,953)	(28,605,806)
Post-employment, retirement benefits, and compensated absences	(4,665,065)	(4,775,440)
Vacation pay	(7,517,245)	(9,017,280)
	(34,304,263)	(42,398,526)
Invested in capital assets (note 12)	56,811,354	62,778,631
Internally restricted (note 9)	14,006,807	13,999,794
Endowments (note 9)	17,139,914	16,397,598
	53,653,812	50,777,497
Accumulated remeasurement gains	3,013,902	2,278,332
	56,667,714	53,055,829
Commitments (note 14)		
Contingencies (note 15)		
Guarantees (note 16)		
	\$ 360,509,626	\$ 324,212,682

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

 Director

 Director

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Operations

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Revenue:		
Grants and reimbursements	\$ 81,584,886	\$ 81,778,009
Student tuition fees	73,440,800	64,754,676
Ancillary operations	6,250,352	4,273,178
Rental income	7,577,291	3,293,290
Other income	27,141,420	22,573,672
Amortization of deferred capital contributions (note 5(b)(i))	8,572,080	8,463,844
Total revenue	204,566,829	185,136,669
Expenditures:		
Salaries and benefits	129,372,976	127,598,718
Instructional supplies	3,899,184	3,102,715
Contracted services	12,077,906	9,501,612
Utilities, maintenance and taxes	11,185,157	9,248,285
Interest and bank charges	2,382,898	2,263,225
Scholarships and bursaries	3,437,650	2,707,948
Supplies and other expenses	20,753,492	15,692,540
Amortization of capital assets (note 12(b))	19,323,567	18,509,283
Total expenditures	202,432,830	188,624,326
Excess (deficiency) of revenue over expenditures	\$ 2,133,999	\$ (3,487,657)

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, 2022, with comparative figures for 2021

	2022				
	Internally restricted net assets				Total
	Unrestricted	Invested in capital assets (note 12)	Internally Restricted (note 9)	Foundation (note 9)	
Balance, beginning of year	\$ (42,398,526)	\$ 62,778,631	\$ 13,811,610	\$ 188,184	\$ 13,999,794
Excess (deficiency) of revenue over expenditures	12,883,743	(10,751,487)	-	1,743	1,743
Invested in capital assets (note 12(b))	(4,784,210)	4,784,210	-	-	-
Endowment contributions	-	-	-	-	742,316
Transfer (note 9)	(5,270)	-	5,270	-	-
Net changes during the year	8,094,263	(5,967,277)	5,270	1,743	7,013
Balance, end of year	\$ (34,304,263)	\$ 56,811,354	\$ 13,816,880	\$ 189,927	\$ 14,006,807
					\$ 17,139,914
					\$ 53,653,812
	2021				
	Internally restricted net assets				Total
	Unrestricted	Invested in capital assets (note 12)	Internally Restricted (note 9)	Foundation (note 9)	
Balance, beginning of year	\$ (43,780,985)	\$ 59,284,913	\$ 22,176,878	\$ 186,750	\$ 22,363,628
Excess (deficiency) of revenue over expenditures	10,044,004	(10,045,439)	(3,487,656)	1,434	(3,486,222)
Invested in capital assets (note 12(b))	(8,539,157)	13,539,157	(5,000,000)	-	(5,000,000)
Endowment contributions	-	-	-	-	-
Transfer (note 9)	(122,388)	-	122,388	-	122,770
Net changes during the year	1,382,459	3,493,718	(8,365,268)	1,434	(8,363,834)
Balance, end of year	\$ (42,398,526)	\$ 62,778,631	\$ 13,811,610	\$ 188,184	\$ 13,999,794
					\$ 16,397,598
					\$ 50,777,497

See accompanying notes to the consolidated financial statements.



**DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY****Consolidated Statement of Cash Flows**

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 2,133,999	\$ (3,487,657)
Items not affecting cash:		
Amortization of capital assets	19,323,567	18,509,283
Amortization of deferred capital contributions	(8,572,080)	(8,463,844)
Change in non-cash working capital:		
Accounts receivable	5,709,256	(4,104,585)
Inventories	156,775	(185,446)
Prepaid expenses	(137,490)	53,663
Accounts payable and accrued liabilities	28,587,616	(64,469)
Accrued vacation	(1,500,035)	785,664
Post-employment, retirement benefits and compensated absences	(110,375)	155,404
Deferred revenue	3,898,195	(102,437)
	49,489,428	3,095,576
Financing activities:		
Endowment contributions	742,316	122,770
Advances of long-term debt	10,488,148	9,566,000
Repayment of long-term debt	(8,396,033)	(3,940,293)
	2,834,431	5,748,477
Capital activities:		
Contributions received for capital purposes (net of fair market value adjustment)	9,338,439	10,462,483
Purchase of capital assets	(20,560,333)	(24,517,683)
	(11,221,894)	(14,055,200)
Investing activities:		
Decrease in long-term receivables	682,040	654,066
Decrease in investments	4,409,121	1,910,338
	5,091,161	2,564,404
Increase (Decrease) in cash	46,193,126	(2,646,743)
Cash, beginning of year	26,225,591	28,872,334
Cash, end of year	\$ 72,418,717	\$ 26,225,591
Supplemental cash flow information:		
Interest paid	\$ 1,340,488	\$ 1,384,722

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, 2022, with comparative figures for 2021

	2022	2021
Accumulated remeasurement gains at beginning of year	\$ 2,278,332	\$ 1,515,062
Unrealized (losses) gains attributable to:		
Derivative - interest rate swap	735,570	763,270
Net remeasurement gains for the year	735,570	763,270
Accumulated remeasurement gains at end of year	\$ 3,013,902	\$ 2,278,332

See accompanying notes to the consolidated financial statements

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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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 by 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, 2022

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### 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. 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.

Financial instruments in this category 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, 2022

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### 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. Financial instruments in this category 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:

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

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# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 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, 2022

### 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.

	2022		
	Fair Value	Amortized Cost	Total
Cash	\$ 72,418,717	\$ -	\$ 72,418,717
Accounts receivable	-	13,905,519	13,905,519
Current portion of long-term receivables	-	590,020	590,020
Investments	19,854,475	-	19,854,475
Long-term receivable	-	7,569,864	7,569,864
Accounts payable and accrued liabilities	-	70,489,893	70,489,893
Accrued vacation	-	7,517,245	7,517,245
Current portion of debt	-	4,293,241	4,293,241
Term debt due on demand	-	7,569,864	7,569,864
Long-term debt	-	40,824,946	40,824,946
Derivative liability	1,033,284	-	1,033,284

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	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

Investments consist of equity instruments in public companies (2022 - \$16,870,160, 2021 - \$15,271,257), fixed income instruments (2022 - \$2,882,150, 2021 - \$3,611,728) and Guaranteed Investment Certificates (2022 - \$102,165, 2021 - \$5,380,611). Investments include \$19,622,338 (2021 - \$18,764,069) of investments externally restricted for endowment purposes (see Note 8).

Maturity profile of fixed income instruments held is as follows:

	2022			
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years
Carrying value	\$ 559,374	\$ 1,834,062	\$ 419,914	\$ 68,800
Percentage of Total	19%	64%	15%	2%

	2021			
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years
Carrying value	\$ 1,016,053	\$ 2,187,126	\$ 345,167	\$ 63,383
Percentage of Total	28%	60%	10%	2%

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 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).

	2022			
	Level 1	Level 2	Level 3	Total
Cash	\$ 72,418,717	\$ -	\$ -	\$ 72,418,717
Investments	16,972,325	2,882,150	-	19,854,475
Derivative liability	-	-	1,033,284	1,033,284
Total	\$ 89,391,042	\$ 2,882,150	\$ 1,033,284	\$ 93,306,476

	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

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2022 and 2021. 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, 2022

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### 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, 2022, 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 \$1,222,000 (2021 - \$1,141,586).

#### (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 (2021 - \$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 (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, 2022

### 2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

The amounts outstanding at year-end are as follows:

	2022					
	Total	Current	Past Due			
			1-30 days	31-60 days	61-90 days	91 - 120 days
Government receivables	\$ 2,763,122	\$ 2,763,122	\$ -	\$ -	\$ -	\$ -
Student receivables	5,908,132	-	293,362	90,679	650,659	4,873,432
Other receivables	8,542,830	5,969,674	1,458,761	886,307	98,524	129,564
Gross receivables	17,214,084	8,732,796	1,752,123	976,986	749,183	5,002,996
Less: impairment allowances	(3,308,565)	-	-	-	-	(3,308,565)
Net receivables	\$ 13,905,519	\$ 8,732,796	\$ 1,752,123	\$ 976,986	\$ 749,183	\$ 1,694,431

	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

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 6.00% (2021 – 0.63% to 6.50%) with maturities ranging from July 7, 2022 to December 2, 2052 (2021 – July 7, 2021 to June 18, 2048).

At March 31, 2022, 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 \$460,600 (2021 - \$578,500). 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, 2022

### 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. 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, 2022 were approximately \$7,112,658 (2021 - \$6,825,020) 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):

	2022			
	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 70,489,893	\$ -	\$ -	\$ -
Accrued vacation	5,637,933	1,879,311	-	-
Debt	2,530,710	1,762,531	10,528,927	37,865,883
	<u>\$ 78,658,536</u>	<u>\$ 3,641,842</u>	<u>\$ 10,528,927</u>	<u>\$ 37,865,883</u>

	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>

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 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 \$7,569,864 (2021 - \$8,159,884) and a current portion of \$590,020 (2021 - \$560,577) 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 Ontario Tech University, which was fully collected during the year.

### 4. CAPITAL ASSETS

	2022			2021
	Ending Cost	Accumulated Amortization	Net book Value	Net book Value
Land	\$ 4,521,201	\$ -	\$ 4,521,201	\$ 4,521,201
Buildings	302,774,646	121,950,621	180,824,025	164,594,563
Building improvements	105,834,811	64,389,407	41,445,404	37,253,221
Equipment and furniture	99,312,895	85,024,705	14,288,190	13,641,654
Computer equipment	44,805,893	41,209,358	3,596,535	4,046,826
Construction-in-progress	311,995	-	311,995	20,006,365
	<b>\$ 557,561,441</b>	<b>\$ 312,574,091</b>	<b>\$ 244,987,350</b>	<b>\$ 244,063,830</b>

Construction in progress relates to various ongoing capital projects that are not yet complete.



# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 5. DEFERRED CONTRIBUTIONS

#### (a) *Deferred revenue*

Deferred revenue represents grants - \$4,965,233 (2021 - \$3,028,177), tuition fees - \$7,584,557 (2021 - \$7,085,088) and other revenue - \$7,593,922 (2021 - \$6,132,252) 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.

		2022	2021
Balance, beginning of year	\$	137,569,530	\$ 138,228,348
Contributions received		8,994,417	7,805,026
Less amounts amortized to revenue		(8,572,080)	(8,463,844)
Balance, end of year	\$	137,991,867	\$ 137,569,530

##### (ii) Foundation

		2022	2021
Balance, beginning of year	\$	3,045,530	\$ 449,966
Transfers		(105,379)	(105,154)
Net investment income and deferred contributions		728,521	3,114,494
Scholarships & Bursaries		(453,120)	(413,776)
Balance, end of year	\$	3,215,552	\$ 3,045,530

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 5. DEFERRED CONTRIBUTIONS (continued)

(iii) Expenses of future periods

Deferred contributions represent unspent restricted donations for scholarships and bursaries.

		2022		2021
Balance, beginning of year	\$	137,871	\$	75,979
Contributions received		364,000		320,000
Disbursements		(190,000)		(258,108)
Balance, end of year	\$	311,871	\$	137,871
Total deferred contributions	\$	141,519,290	\$	140,752,931

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 6. DEBT

	<u>2022</u>	<u>2021</u>
2.06% secured mortgage on the Whitby campus, repayable in monthly instalments of \$41,231 principal and interest, was due November 2031. Fully repaid November 2021.	\$ -	\$ 4,736,519
3.12% unsecured mortgage on student residence, repayable in semi-annual instalments of \$753,625 principal and interest, due February 2024.	<b>1,450,199</b>	2,142,282
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.	<b>19,865,796</b>	21,725,680
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.	<b>8,159,884</b>	8,720,461
2.46% unsecured mortgage on student residence, repayable in monthly instalments of \$52,701 principal and interest, due July 2027, interest rate renewal in July 2022.	<b>3,158,024</b>	3,704,994
3.43% unsecured mortgage on the Centre for Skilled Trades and Technology which includes capitalized interest of \$54,148, repayable in semi-annual instalments of \$600,362 principal and interest, due March 2047.	<b>20,054,148</b>	9,566,000
	<b>52,688,051</b>	50,595,936
Less current portion	<b>4,293,241</b>	4,421,979
Less term debt due on demand	<b>7,569,864</b>	8,159,884
	<b>\$ 40,824,946</b>	<b>\$ 38,014,073</b>

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 6. DEBT (continued)

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

2023	\$ 4,293,241
2024	4,431,506
2025	2,295,928
2026	1,865,258
2027	1,936,235
Thereafter	37,865,883
	<hr/>
	<b>\$ 52,688,051</b>

Interest expense on long-term debt of \$1,340,488 (2021 - \$1,384,722) 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 \$1,033,284 (2021 - \$1,768,854) 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, 2022, the College had utilized \$nil (2021 - \$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 from the Ontario Financing Authority. The interest rate for the initial draw of \$9,566,000 in fiscal 2020-21 was 0.41%. The loan of \$20,000,000 plus the capitalized interest of \$58,148 has an interest rate of 3.43% as of March 31, 2022.



# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 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, 2022 was \$5,785,372 (2021 - \$6,098,618). 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:

	2022				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,076,000	\$ 674,065	\$ 4,069,000	\$ 63,000	\$ 5,882,065
Value of plan assets	(290,000)	-	-	-	(290,000)
Unamortized actuarial gains/(losses)	22,000	-	(1,000,000)	51,000	(927,000)
Total liability	<b>\$ 808,000</b>	<b>\$ 674,065</b>	<b>\$ 3,069,000</b>	<b>\$ 114,000</b>	<b>\$ 4,665,065</b>

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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

	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	<b>\$ 940,000</b>	<b>\$ 711,440</b>	<b>\$ 2,997,000</b>	<b>\$ 127,000</b>	<b>\$ 4,775,440</b>

	2022				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit (recovery) cost	\$ (115,000)	\$ -	\$ 366,000	\$ 2,000	\$ 253,000
Interest on accrued benefit obligation	1,000	12,094	80,000	1,000	94,094
Amortized actuarial (gains)/losses	(12,000)	-	109,000	(3,000)	94,000
Total expense	<b>\$ (126,000)</b>	<b>\$ 12,094</b>	<b>\$ 555,000</b>	<b>\$ -</b>	<b>\$ 441,094</b>

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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

	2021				
	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit 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	\$ -	\$ 10,849	\$ 664,000	\$ (1,000)	\$ 673,849

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, 2022 indicated an actuarial surplus on a going concern basis of \$4.4 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of \$10,818,212 in 2022 (2021 - \$11,387,155), 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, 2022

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### 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, 2022 of the future benefits was determined using a discount rate of 2.90% (2021 – 1.70%).

#### *b) Drug Costs*

Drug costs were assumed to increase at a 6.29% rate for 2022 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 2022 (2021 – 4.00%).

Medical premium increases were assumed to increase at 6.29% per annum in 2022 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040 for fiscal 2021.

#### *d) Dental costs*

For the fiscal 2022 disclosure, dental costs and premiums were assumed to increase at 4.00% per annum (2021 – 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, 2022

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### 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:

	2022	2021
Wage and salary escalation	1% - 1.25%	1% - 2%
Discount Rate	2.9%	1.7%

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, 2022

### 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:

2022					
	Balance, Beginning of Year	Additions	Transfers, Adjustments, Disbursements	Balance, End of Year	
Operating Contingency	\$ 13,060,950	\$ -	\$ -	\$ 13,060,950	
Capital Investments - Residence	750,660	-	5,270	755,930	
Foundation	188,184	1,743	-	189,927	
	<b>\$ 13,999,794</b>	<b>\$ 1,743</b>	<b>\$ 5,270</b>	<b>\$ 14,006,807</b>	

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	
	<b>\$ 22,363,628</b>	<b>\$ 235,702</b>	<b>\$ (8,599,536)</b>	<b>\$ 13,999,794</b>	

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 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:

	2022	2021
OSOTF (Note 10)	\$ 5,460,781	\$ 5,244,152
OTSS (Note 11)	6,714,757	6,448,383
Externally Restricted Donations	4,964,376	4,705,063
	<b>\$ 17,139,914</b>	<b>\$ 16,397,598</b>

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, 2022

### 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:

	2022	2021
<b>Schedule of Changes in Endowment Fund Balance</b>		
Endowment fund balance, beginning of year	\$ 2,623,977	\$ 2,589,487
Preservation of capital	108,393	34,490
Endowment fund balance, end of year	\$ 2,732,370	\$ 2,623,977
<b>Schedule of Changes in Expendable Funds Available for Awards</b>		
Expendable balance, beginning of year	\$ 641,155	\$ 255,298
Realized investment income	87,063	443,599
Bursaries awarded	(69,064)	(57,742)
Expendable balance, end of year	659,154	641,155
Number of bursaries awarded	57	48
Market value of endowment	\$ 4,005,750	\$ 3,864,844



# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 10. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS (continued)

(b) OSOTF II:

	2022	2021
<b>Schedule of Changes in Endowment Fund Balance</b>		
Endowment fund balance, beginning of year	\$ 2,620,175	\$ 2,585,735
Preservation of capital	108,236	34,440
Endowment fund balance, end of year	\$ 2,728,411	\$ 2,620,175
<b>Schedule of Changes in Expendable Funds Available for Awards</b>		
Expendable balance, beginning of year	\$ 640,451	\$ 255,153
Realized investment income	86,937	442,956
Bursaries awarded	(68,964)	(57,658)
Expendable balance, end of year	658,424	640,451
Number of bursaries awarded	57	48
Market value of endowment	\$ 4,000,168	\$ 3,859,467

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 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:

	2022	2021
<b>Schedule of Changes in Endowment Fund Balance</b>		
Endowment balance, beginning of year	\$ 6,448,383	\$ 6,363,625
Preservation of capital	266,374	84,758
Endowment fund balance, end of year	\$ 6,714,757	\$ 6,448,383
<b>Schedule of Changes in Expendable Funds Available for Awards</b>		
Expendable balance, beginning of year	\$ 1,621,150	\$ 640,608
Realized Investment income	221,184	1,122,442
Bursaries awarded	(169,722)	(141,900)
Expendable balance, end of year	\$ 1,672,612	\$ 1,621,150
Number of Bursaries awarded	141	117
Market value of endowment	\$ 9,896,815	\$ 9,543,315

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 12. INVESTED IN CAPITAL ASSETS

(a) Investment in capital assets represents the following:

	2022	2021
Capital assets - net book value	\$ 244,987,350	\$ 244,063,830
Less amounts financed by deferred capital contributions (Note 5(b)(i))	(137,991,867)	(137,569,530)
Add unspent deferred capital contributions	129,410	4,258,424
Less amount financed by debt and lease	(50,313,539)	(47,974,093)
Investment in capital assets	\$ 56,811,354	\$ 62,778,631

(b) Change in invested in capital assets is calculated as follows:

	2022	2021
Amortization of deferred capital contributions	\$ 8,572,080	\$ 8,463,844
Amortization of capital assets	(19,323,567)	(18,509,283)
	\$ (10,751,487)	\$ (10,045,439)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 20,560,333	\$ 24,517,683
Amounts funded by:		
Deferred capital contributions (Note 5(b)(i))	(8,994,417)	(7,805,026)
Unsecured mortgage	(10,488,148)	(9,566,000)
(Spent)/Unspent deferred capital contributions	(4,129,014)	2,984,810
Repayment of debt	7,835,456	3,407,690
	\$ 4,784,210	\$ 13,539,157
	\$ (5,967,277)	\$ 3,493,718

### 13. SERVICE COSTS

Durham College provides certain administrative services to Ontario Tech University under a shared service agreement. The cost of salaries, benefits and operating expenses allocated to the University has been calculated based on an individual percentage per department.

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 13. SERVICE COSTS (continued)

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, 2022 are as follows:

2023	\$	584,285
2024		449,926
2025		510,927
2026		418,211
2027		417,200
Thereafter		2,155,961
	\$	4,536,510

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.

### 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.



# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 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, 2022 was \$144,557,828 (2021 - \$151,543,488).

On August 12, 2011, an agreement was signed between the University and MCU whereby the MCU shall pay the University \$13,500,000 each year in equal semi-annual payments of \$6,750,000 in April and October to fund the repayment of the debentures. The agreement took effect on April 1, 2011 and the grant will continue until the maturity of the debentures in October 2034.

# DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### 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 an overall basis, the impact of the COVID-19 outbreak resulted in a deficit for the College for the 2020-21 fiscal year. The 2020-21 deficit was reduced by the Support Fund for Postsecondary Institutions as a result of COVID-19 in the amount of \$7,072,000 which was 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.



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