DURHAM COLLEGE
SUCCESS MATTERS

2025-2026

ANNUAL REPORT

DC 2030 STRATEGIC VISION
YEAR 1

ACKNOWLEDGING THE LAND AT DURHAM COLLEGE

Durham College acknowledges the lands and Peoples of the Mississaugas of Scugog Island First Nation.

We recognize the lands on which we gather are covered under the Williams Treaties and rest within the traditional territory of the Mississaugas, a branch of the Anishinaabeg Nation, which also includes Algonquin, Chippewa, Odawa, Ojibway and Pottawatomi. It is through the treaty process that we are able to live, learn, teach and prosper in this region.

We acknowledge with gratitude this land and the Indigenous Peoples who have cared for and continue to protect Turtle Island (North America) and its resources. We commit to the responsibility of reconciliation and the work of increasing awareness and understanding of our shared history. We do so by recognizing the past and working towards a shared future as friends and allies.

If you require an alternative format of this publication, please contact marketing@durhamcollege.ca.

MESSAGE FROM THE BOARD CHAIR

Durham College continues to move forward with clarity and purpose as it advances the priorities set out in its DC 2030 Strategic Vision. The year reflected in this annual report illustrates a college that is focused, responsive and committed to delivering meaningful outcomes for students, employees and the broader community.

This annual report highlights the progress achieved across the four goals of our Strategic Vision: future-focused, sustainable, people-centred, and community-connected. These goals provide a clear framework for decision making and ensure that the college remains aligned with the needs of learners, employers and the communities we serve, while strengthening the foundation required for long-term success.

The Board of Governors is proud of the dedication and leadership demonstrated across Durham College. Employees continued to deliver high-quality programs, advance innovation in teaching and learning, and foster environments where students feel supported and prepared to succeed. The impact of this work is evident in strong partnerships, relevant educational offerings, and the college's continued contribution to workforce development and community well-being.

As governors, our role is to provide oversight, stewardship, and guidance in support of the college's shared purpose and strategic vision. We are confident in the direction established through the Strategic Vision and encouraged by the momentum achieved in its first year. On behalf of the Board of Governors, thank you to our students, employees, partners, and supporters for your continued engagement and trust as we work together to build a strong and sustainable future for Durham College.

Sincerely,

Lisa Allen
Chair, Durham College Board of Governors

MESSAGE FROM THE PRESIDENT

This past year marked the beginning of an important new chapter for Durham College as we advanced the first year of our DC 2030 Strategic Vision. Guided by our shared purpose of transforming lives, building careers and enriching communities, our students and employees demonstrated focus, resilience, and a deep commitment to success in a complex and evolving environment.

Through the successful delivery of our business plan, we have continued to strengthen the quality and relevance of our programs, expand experiential learning and applied research, and invest in the services, spaces and systems that support outstanding student and employee experiences. Like many post-secondary institutions, we operated amid ongoing financial pressures and uncertainty across the sector. Through careful planning, disciplined decision-making and strong collaboration, we remained focused on long-term sustainability while staying true to our purpose.

Throughout the year, our work remained centred on preparing learners with the skills, knowledge, and adaptability required to contribute meaningfully to the workforce and their communities. We strengthened partnerships with industry and community, supported innovation in teaching and learning, and advanced initiatives that reflect broader priorities around economic resilience, workforce development, and the responsible stewardship of public resources.

As the first year of our Strategic Vision comes to a close, I am proud of the progress we have made and the direction we are setting for the years ahead. This moment represents an important transition for Durham College as we begin to stabilize, reset and look forward to the future we want to build together. Across the college, I see teams strengthening our foundation, aligning our work to current realities, and sharpening our focus on areas of greatest impact. There is growing clarity in our priorities and renewed confidence in our ability to move forward with intention and purpose. This annual report reflects a year of meaningful momentum and demonstrates that we are well positioned to continue advancing our Strategic Vision, united by our shared commitment to the students and communities we serve, and by our belief that at Durham College, success truly matters.

Sincerely,

Dr. Elaine Popp
President, Durham College

2025-2026 DURHAM COLLEGE BOARD OF GOVERNORS

» Lisa Allen, Board Chair
» Megan Bent, student governor
» Brandon Bird
» Melissa Bosomworth, support staff governor
» Jim Brown
» Alison Burgess, government appointee
» Jeff Dornan
» Kelly Doyle, administrative staff governor
» John Ecker, government appointee
» Rhonda Jessup
» Ian Murray, government appointee
» Jerry Ouellette, government appointee
» Dr. Elaine Popp, President
» Peter Pryce, Board Vice-Chair
» Kwende Thomas
» Dwight Townsend
» Nathan Wilson, academic staff governor

DURHAM COLLEGE EXECUTIVE LEADERSHIP TEAM

» Dr. Jean Choi, Vice President, Academic and Students
» Rick Hutchinson, Vice President, Strategic Infrastructure and Campus Safety
» Barbara MacCheyne, Vice President, Corporate Services and Chief Financial Officer
» Thom MacDonald, Associate Vice President, Enrolment and International Education
» Dr. Elaine Popp, President

DC 2030

STRATEGIC VISION

OUR PURPOSE:

Transforming lives, building careers, and enriching communities.

OUR VALUES:

- Collaboration
- Diversity and Inclusion
- Excellence
- Innovation
- Integrity
- Respect
- Social Responsibility

OUR GOALS:

FUTURE-FOCUSED

Be the first and best choice as a globally recognized leader in delivering the innovative lifelong learning that students, communities, and industries need most.

SUSTAINABLE

Be intentional and align our efforts to adapt, thrive and achieve our ambitions and ensure long-term sustainability.

PEOPLE-CENTRED

Be an equity-driven and inclusive environment where everyone feels supported, can realize their full potential, and truly belongs.

COMMUNITY-CONNECTED

Be purposefully connected locally and globally to deepen our impact and drive social and economic progress.

BY THE NUMBERS

* as of September 2025

145
INDUSTRY-DRIVEN FULL-TIME POST-SECONDARY PROGRAMS

11
APPRENTICESHIP PROGRAMS

5
APPLIED RESEARCH CENTRES

86
INDUSTRY PROJECTS COMPLETED WITH 91 EXTERNAL PARTNERS THROUGH CORPORATE TRAINING SERVICES

745+
PATHWAYS

2,478
EMPLOYEES

1,904
INTERNATIONAL STUDENTS

2,720
APPRENTICESHIP STUDENTS

11,374
FULL-TIME POST-SECONDARY STUDENTS

16K+
PROFESSIONAL AND PART-TIME LEARNING STUDENT REGISTRATIONS

120K+
ALUMNI

5
HONOURS BACHELOR'S DEGREES

2
BACHELOR'S DEGREES

$913M+
ECONOMIC IMPACT ON DURHAM REGION

OUR GOALS

GOAL 1

FUTURE-FOCUSED

Be the first and best choice as a globally recognized leader in delivering the innovative lifelong learning that students, communities, and industries need most.

Durham College (DC) is committed to being the first and best choice as a globally recognized leader in delivering innovative lifelong learning that students, communities, and industries need most. This year, the college strengthened partnerships, expanded industry-led programming, and celebrated the achievements of our students, alumni and employees – ensuring DC remains adaptive in a rapidly evolving world.

In Fall 2025, we launched seven new, forward-thinking programs, comprising two post-secondary programs, four Personal and Professional Learning (PPL) programs, and one apprenticeship. Among them, Interior Decorating and Electric Drive Vehicle Technician exceeded their projected enrolment targets at launch, helping to anticipate and meet workforce needs.

This commitment to workforce readiness was reflected at Convocation 2025, where 4,858 graduates crossed the stage to receive their credentials – the largest graduating class in DC history. Among them were the first cohorts from three industry-aligned programs – Honours Bachelor of Artificial Intelligence, Clinical Bioinformatics, and Recreation Therapy – designed to respond to emerging industry needs. These graduates reflected DC's commitment to preparing learners through applied, industry-responsive education that supports innovation, strengthens healthcare and technology sectors, and expands career pathways in high-demand fields. (1)

Through the Office of Research Services, Innovation and Entrepreneurship (ORSIE), DC reinforced its position as a leader in applied research, particularly in artificial intelligence (AI). Some initiatives included the development of the AI G.U.I.D.E. Program, a national partnership with Northern Alberta Institute of Technology (NAIT) to advance AI literacy in Canada's energy sector, and the establishment of an eCampusOntario partnership – a national initiative to make foundational artificial intelligence skills more accessible to Canadians. (2)

We also expanded our global reach through new collaborations and international learning opportunities. Academic partnerships with Ayrshire College and the University of the Highlands and Islands in Scotland advanced innovation in industry and renewable energy training, while Faculty-led Classroom Abroad (FLCA) initiatives provided students with immersive experiential learning opportunities in Costa Rica, Denmark, Italy, and Peru. (3)

We also offered nine Collaborative Online International Learning projects across three faculties. Initiatives included a collaboration between the Faculty of Business and Information Technology and Tuelimike, a community-based organization in East Africa aimed to co-develop sustainable human resource systems, support social enterprise development, and foster student engagement through experiential learning. Another project brought together journalism, agriculture and data science students with the University of Johannesburg to collaboratively address the global issue of food security.

The impact of a DC education was reflected in the stories of students and alumni who turned their passions into meaningful careers and leadership opportunities. Cale Crowe (4) built a career in the performing arts after studying Music Business Management, while Griffin Yan, an Animal Care graduate, transitioned into wildlife care through hands-on experience at the Toronto Zoo (5). For J. Sarah Armstrong, Paralegal studies shaped her professional direction and led to a career grounded in community connection.

The DC pride continued as we honoured the 2025 Alumni of Distinction recipients: Jeremy Burns (Penology and Youth, 2005 and Law and Security Administration, 2004), Aaron Dale (Police Foundations, 2005), Chris Cull (Heating, Ventilation and Air Conditioning Technician, 2007), Shawn Small (Sport Administration, 1998), and Paula Sojo (Video Production, 2024 and Photography, 2025). Jeremy Burns and Aaron Dale also received the 2025 Premier's Award as founders of the Military Veterans Wellness Program. (6)

Student excellence earned national recognition and distinction through competitive and sector awards. DC Animation-Digital Production graduate Daylan Belsey placed first in animation at the Ubisoft Toronto NEXT Challenge, while DC Sport Management student Abigail Ansell received the Colleges and Institutes Canada (CICan) Gold Award for her leadership and commitment to social impact. (7)

Together, these stories illustrate how experiential, future-focused learning at DC prepares graduates to adapt, lead, and thrive in evolving industries and communities.


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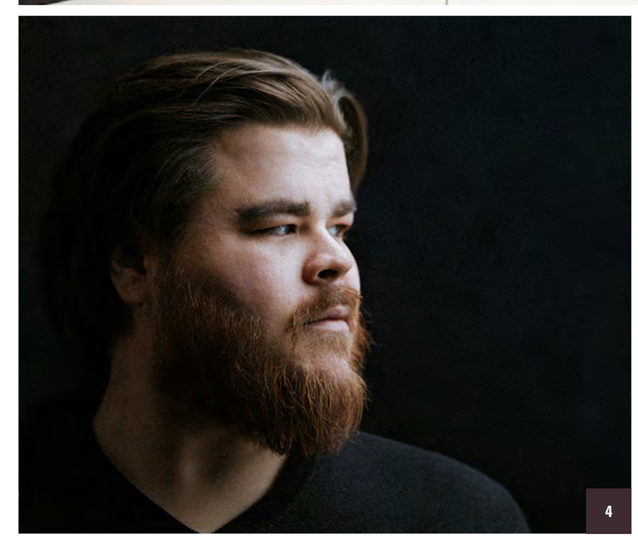
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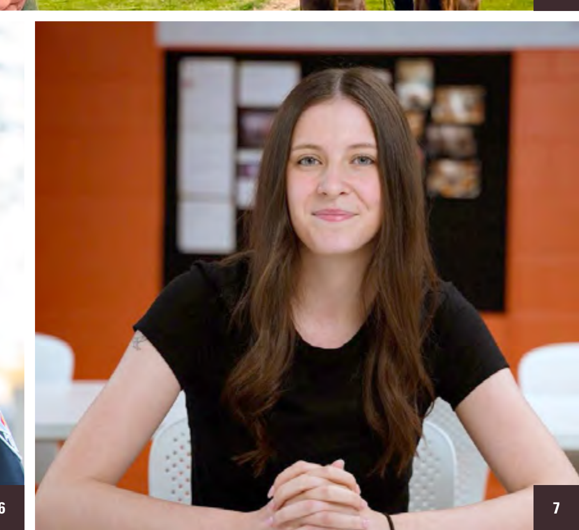
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 Numbers in text correspond to photos on the right.

GOAL 2

SUSTAINABLE

Be intentional and align our efforts to adapt, thrive, and achieve our ambitions and ensure long-term sustainability.

Our sustainability goal focuses on being intentional in how we plan, invest, and operate so that Durham College (DC) can adapt and achieve its ambitions over the long term. This goal is about sustained strength, bringing together financial health, smart systems and infrastructure, and environmentally sustainable practices, all working together to support students, employees, and our communities.

Environmental and campus sustainability continues to gain momentum through efforts led by the Green Impact Team and supported by many other employees across the college. Activities focused on water conservation, waste reduction, food security, and conscious consumption are helping translate awareness into action. On Earth Day, more than 50 employees and students took part in the Great Global Clean-up and a City of Oshawa community clean-up, demonstrating how small actions can create a meaningful impact when people come together.

This year, DC received a new national designation as a Bee City Campus, reinforcing our commitment to biodiversity and pollinator health on our campuses. From pollinator gardens to pesticide-free practices and education, this work reflects our broader responsibility to environmental stewardship. (8)

Our Centre for Craft Brewing Innovation expanded into the Centre for Craft Beverage Innovation (CCBI) to support a wider range of beverage creators, including breweries, cideries, kombucha makers, wineries, and non-alcoholic drink producers and identify new streams of revenue. The CCBI continues to offer services, including recipe development, lab testing, product prototyping, process optimization, and business support, through programs such as the Productivity Booster Program, Product Innovator Program, and Farm Beverage Innovator Program. (9)

We leveraged funding from ONCAT to strengthen access and mobility for learners. One initiative in partnership with Ontario Tech University builds pathway opportunities between the two institutions' Kinesiology and Massage Therapy programs. By developing new course materials, the pathway will reduce the time required to complete a second program — helping learners enter the labour market sooner. And a second initiative expands the functionality of a transfer credit database, designed to provide students with clearer information about post-secondary options. (10)

Over the past two years, DC, like many across the sector, has experienced unprecedented financial pressure. Through disciplined decision-making, careful planning, and difficult choices, the college has strengthened its financial position. We are improving key financial health measures, rebuilding reserves, and positioning DC on a more stable footing to support multi-year planning and long-term investment.

Looking ahead, our focus under the sustainable goal remains closely aligned with our Strategic Vision itself. We will continue to seek innovative solutions that support our financial health while embedding multi-year, pan-institutional planning into how decisions are made across the college.

Together, these priorities ensure sustainability is not a single initiative, but a shared approach to how we plan, operate, and deliver on our purpose.

GOAL 3

PEOPLE-CENTRED

Be an equity-driven and inclusive environment where everyone feels supported, can realize their full potential, and truly belongs.

At Durham College (DC), being people-centred means creating an environment where students, employees, and alumni feel they belong, and where they have the support, opportunity, and encouragement to reach their full potential. This year, we deepened our commitment to equity, inclusion, and reconciliation, expanded access to education and career pathways, and recognized the achievements of learners and employees whose leadership is shaping healthier, more connected communities. These milestones reflect our ongoing work to build a college where everyone is welcomed, valued, and empowered to succeed.

Through cultural programming, student supports, and Indigenous-led initiatives, we continued to advance reconciliation and Indigenous learning, fostering a more inclusive environment for Indigenous students and employees. From Elder-led teachings and the introduction of the Braiding Learning Framework to Indigenous-informed applied research training, opportunities to embed Indigenous perspectives across teaching, learning, and campus life were strengthened. (11)

A generous investment from The Joyce Family Foundation helped expand access to education for students facing financial and socio-economic barriers. This funding strengthened student success by providing financial assistance, mentorship opportunities, and pathways to further studies and career development. (12)

Recognition for advancing accessibility and inclusion came through the Barrett Centre's work at the Ajax Urban Farm, which created welcoming learning spaces designed for individuals of all abilities. Through accessible design features and partnerships with community organizations, opportunities for hands-on learning, connection, and participation in sustainable agriculture programs across Durham Region were expanded. (13)

We provided networking, mentorship, and outreach opportunities to women pursuing careers in the skilled trades, fostering connection and belonging. Through initiatives such as Women in Skilled Trades, Women on Site, and hands-on events for young women, students gained confidence, explored career pathways, and connected with peers and industry mentors.

We supported professionals in building confidence and leadership capacity in emerging technologies through the AI G.U.I.D.E. Program, developed by the AI Hub at DC and the Council of Canadian Innovators. Designed for non-technical professionals across multiple sectors, the program expanded opportunities for lifelong learning, ethical AI literacy, and career development in an evolving workforce.

A professional development training program for new and aspiring managers launched in the fall with a first cohort of 12 participants and a second cohort of 16. The program included three in-person training days, three online modules, a capstone project and presentation to support employees' learning and growth.

Recognition received by faculty members in Science and Engineering Technology (14), Hospitality and Horticultural Science (15), and Health Sciences (16) celebrated employee excellence and leadership. These achievements reflected our commitment to fostering a culture of lifelong learning, industry expertise, and hands-on education that prepares students for meaningful careers.

Additionally, DC continues to support the health and wellness of its campus community by offering a wide range of free fitness classes to all students and employees. From power yoga and pilates to spin classes, boot camps and more, the programming offers something for every fitness level and interest while encouraging an active and balanced lifestyle. DC also opened the FEMFLEX Studio, open to all women and women-identifying individuals.

DC Athletics also continued to expand its commitment to Parasport, creating more opportunities for inclusion, competition, and community engagement within the varsity landscape. Through initiatives involving sitting volleyball, adaptive sport programming, and partnerships connected to parasport development, DC has helped provide student-athletes and participants with meaningful opportunities to compete and grow in an inclusive environment.

These initiatives reflect DC's continued commitment to fostering a welcoming, inclusive, and people-centred community where everyone has the opportunity to learn, grow, and thrive.

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GOAL 4

COMMUNITY-CONNECTED

Be purposefully connected locally and globally to deepen our impact and drive social and economic progress.

Durham College (DC) is proud of the positive difference we make in the communities we serve. While our campuses are based in Oshawa and Whitby, our influence extends throughout Durham Region and beyond. Through partnerships, strategic investments, and collaboration, we share our resources, facilities, and expertise to help drive meaningful change.

We partnered with Lakeridge Health Foundation to host NightShift 2025, a public emergency medical simulation fundraiser. Using our state-of-the-art simulation labs, participants took part in fast-paced medical scenarios led by faculty, lab staff, and health-care professionals, while students volunteered behind the scenes for hands-on experience. The event raised funds for new equipment and local health-care training. (17)

We welcomed our community onto our campuses through events such as the Young Women in Science, Technology and Trades Conference and the FIRST Robotics Competition, introducing youth to STEM, skilled trades, and other innovation-focused fields. (18, 19)

We continued to help Ontario businesses protect and grow their ideas thanks to renewed funding for our Intellectual Property (IP) Support Program. By partnering with Working with Intellectual Property Ontario, Conestoga College, and Sheridan College, we provide small and medium-sized businesses with advice on patents, trademarks, licensing, and commercialization strategies. Led by our Office of Research Services, Innovation and Entrepreneurship (ORSIE), the program helped dozens of companies over the past year.

These efforts contributed to DC being recognized as one of Canada's Top 50 Research Colleges by Research Infosource Inc. as well as being awarded the Gold Program Excellence Award for Applied Research and Innovation from Colleges and Institutes Canada.

With funding from the College and Community Social Innovation Fund (CCSIF), our Social Impact Hub completed the Raising Resilient Families research project, which aimed to improve support systems for parents with cognitive challenges, including intellectual and developmental disabilities or brain injuries. The project focused on reducing stigma, strengthening families, and preventing unnecessary child welfare interventions. Researchers worked closely with parents, community organizations, and service providers across Durham Region to identify barriers and co-develop better supports. (20)

We provided specialized elevator rescue training for the Ajax Fire and Emergency Services. For two days, the Elevating Devices Shop at our Whitby campus – Canada's largest elevator shop space – was home to realistic emergency simulations that helped 18 first responders build skills in elevator evacuation, safety procedures, teamwork, and communication. (21)

Alumni of Distinction recipient Chris Cull launched the second season of his Surviving Addiction docuseries with support from our Social Impact Hub, students, and faculty. Funded by the CAMH Foundation and Mitacs, the six-episode season shared real stories from people affected by addiction, including those in recovery, family members, and healthcare professionals. DC students in photography and video production helped film, edit, and produce the series alongside faculty mentors. (22)

We launched our new Mental Health for Healthcare Workers Certificate, an online program created to help healthcare and community service professionals strengthen their mental health care skills. Designed for workers such as nurses, personal support workers, social workers, and paramedics, the program focuses on compassionate, culturally responsive, and evidence-based care. Developed in partnership with Humber Polytechnic, it's delivered fully online and asynchronously to accommodate working professionals.

During the holidays, we were proud participants in Wrap for Hope, a volunteer holiday fundraising initiative supporting the Durham Children's Aid Foundation's Holiday Hope campaign. More than 50 DC employees volunteered at a gift-wrapping station at Oshawa Centre, helping wrap presents and encourage donations from shoppers. (23)

Our community raised nearly $80,000 for the Food Access Bursary, a fund that helps students facing food insecurity. Over the holiday season, donations came from students, employees, alumni, and partners, including strong support from the Durham College Student Association and the Durham College Alumni Association, to provide students with short-term financial support to help cover the cost of a holiday meal.

In partnership with Ontario Tech University, the Campus Master Plan was refreshed through a collaborative process that included consultations with external partners such as the Region of Durham and City of Oshawa, as well as input from DC and OTU students, employees, and leadership. The Plan reflects our shared commitment to academic excellence, student experience, research, sustainability, and community connection and is designed to guide future decisions about campus spaces and infrastructure, ensuring we continue to meet the evolving needs of both institutions, students and the community. (24)

Through collaboration, innovation, and shared expertise, DC continued to strengthen communities, expand opportunities, and create meaningful impact across Durham Region and beyond.

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COLLEGE ADVISORY COUNCIL UPDATE – 2025-2026

The College Advisory Council (CAC) met nine times, and the President attended two meetings, in accordance with Board By-Law No. 3. Various updates from across the college were shared for awareness and discussion at each council meeting.

Topics included:

- An overview of Board of Governors' By-law No. 3.
- Recruitment initiatives, including marketing campaigns, promotional tactics and events, both on- and off-campus were shared by the Recruitment team, as well as opportunities for collaboration with faculty and employees.
- An overview of the Annual Program Review (APR) process, highlighting changes made to both APR and Comprehensive Program Review (CPR) processes, linkages between the processes, and long-term quality assurance goals.
- The General Arts and Science (GAS) retention initiative led by the Faculty of Liberal Studies, highlighting strategies the GAS program has implemented to ensure student success and retention. Retention strategies include the MEET 1000 initiative, which focuses on content and connection, leading to program completion.
- Student services including, Career Development, Student Academic Learning Services (SALS), Access and Support Centre (ASC), Athletics and Recreation, and the Campus Library provided updates and a summary of the services provided to students and staff.
- Regular updates regarding the new Academic Plan development process were highlighted, including opportunities to get involved and share input.
- The Durham College Student Association (DSCA) provided several updates.

Policies and procedures presented to the council:

- ACAD-133: Degree Breadth
- ACAD-122: Copyright
- ACAD-123: Academic Freedom
- ACAD-134: Commercialization
- ACAD-114: Students at Academic Risk
- ADMIN-213: Institutional Use of Artificial Intelligence
- Recognizing Days of Awareness

Comprehensive Program Review presentations:

- Culinary Skills and Management
- Cosmetic Techniques and Management
- Esthetician Spa Management
- Carpentry – Building Construction Technician and Co-op
- Practical Nursing
- Architectural Technology
- Office Administration

KEY PERFORMANCE INDICATOR REPORTING

The most current, publicly available content for Key Performance Indicators is available online.

SUMMARY OF ADVERTISING/MARKETING COMPLAINTS RECEIVED

DC has not received any advertising or marketing complaints for fiscal 2025-2026.

FINANCIALS

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2026

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 10, 2026

Tel: 289 881 1111
Fax: 905 845 8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

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, 2026, and the consolidated statement of operations, consolidated statement of changes in net assets, consolidated statement of cash flows and consolidated statement of remeasurement gains and losses for the year ended March 31, 2026, 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, 2026, 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the College as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 12, 2026

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Consolidated Statement of Financial Position
Year ended March, 2026, with comparative figures for year ending March 31, 2025

	March 31, 2026	March 31, 2025
ASSETS		
Current assets:		
Cash	$ 59,628,819	$ 50,409,841
Short-term investments (note 3)	43,716,861	37,624,606
Accounts receivable (note 3)	16,116,609	19,052,130
Current portion of long-term receivables (note 4)	724,093	687,958
Inventories	830,718	631,226
Prepaid expenses	909,752	625,735
	121,926,852	109,031,496
Long-term investments (note 3)	27,804,137	24,858,681
Long-term receivables (note 4)	4,883,174	5,607,267
Capital assets (note 5)	218,751,972	231,420,223
	$ 373,366,135	$ 370,917,667
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 35,979,696	$ 54,503,087
Accrued vacation	8,674,467	9,671,289
Deferred revenue (note 6(a))	29,575,429	28,472,727
Current portion of debt (note 7)	1,317,355	1,261,401
Term debt due on demand (note 7)	4,883,174	5,607,266
	80,430,121	99,515,770
Deferred contributions (note 6(b))	137,077,148	138,613,007
Long-term debt (note 7)	17,279,527	17,872,790
Derivative liability (note 7)	377,770	581,598
Long-term asset retirement obligation liability (note 2)	8,258,110	7,986,566
Long-term liability relating to public private partnership (note 8)	7,600,748	7,453,367
Post-employment, retirement benefits and compensated absences (note 9)	5,430,772	4,886,116
	256,454,196	276,909,214
Net assets:		
Unrestricted		
Operating	41,182,451	11,138,932
Post-employment, retirement benefits, and compensated absences	(5,430,772)	(4,886,116)
Vacation pay	(8,674,467)	(9,671,289)
	27,077,212	(3,418,473)
Invested in capital assets (note 13)	64,178,002	73,291,561
Internally restricted (note 10)	1,112,045	1,112,045
Endowments (note 10)	20,875,266	19,557,734
	113,242,525	90,542,867
Accumulated remeasurement gains	3,669,414	3,465,586
	116,911,939	94,008,453
Commitments (note 15)		
Related Party (note 16)		
Guarantees (note 17)		
	$ 373,366,135	$ 370,917,667

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, 2026, with comparative figures for year ending March 31, 2025

	March 31, 2026	March 31, 2025
Revenue:		
Grants and reimbursements	$ 98,024,318	$ 85,061,900
Student tuition fees	84,343,368	125,857,431
Ancillary operations	11,512,150	12,164,725
Rental income	12,471,829	12,332,449
Other income	37,225,181	41,271,003
Amortization of deferred capital contributions (note 6(b)(i))	10,670,258	10,087,001
Total revenue	254,247,104	286,774,509
Expenditures:		
Salaries and benefits	149,931,886	171,631,383
Instructional supplies	4,418,950	4,737,055
Contracted services	11,268,349	12,815,800
Utilities, maintenance and taxes	14,612,976	15,888,712
Interest and bank charges	2,245,030	2,786,317
Scholarships and bursaries	5,193,110	3,314,745
Supplies and other expenses	24,074,003	36,118,108
Accretion expense on Asset Retirement Liability (ARO)	271,544	262,614
Amortization of capital assets (note 13(b))	20,849,130	20,944,031
Total expenditures	232,864,978	268,498,765
Excess of revenue over expenditures	$ 21,382,126	$ 18,275,744

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Consolidated Statement of Changes in Net Assets
Year ended March, 2026, with comparative figures for year ending March 31, 2025

March 31, 2026

	Unrestricted	Invested in capital assets (note 13)	Internally restricted net assets: Internally Restricted (note 10)	Foundation	Total internally restricted net assets (note 10)	Endowments (note 10)	Total
Balance, beginning of year	$ (3,418,473)	$ 73,291,561	$ 1,112,045	$ -	$ 1,112,045	$ 19,557,734	$ 90,542,867
Excess (deficiency) of revenue over expenditures	31,462,650	(10,080,524)	-	-	-	-	21,382,126
Invested in capital assets (note 13(b))	(966,965)	966,965	-	-	-	-	-
Endowment contributions	-	-	-	-	-	1,317,532	1,317,532
Transfer (note 10)	-	-	-	-	-	-	-
Net changes during the year	30,495,685	(9,113,559)	-	-	-	1,317,532	22,699,658
Balance, end of year	$ 27,077,212	$ 64,178,002	$ 1,112,045	$ -	$ 1,112,045	$ 20,875,266	$ 113,242,525

March 31, 2025

	Unrestricted	Invested in capital assets (note 13)	Internally restricted net assets: Internally Restricted (note 10)	Foundation	Total internally restricted net assets (note 10)	Endowments (note 10)	Total
Balance, beginning of year as previously stated	$ (23,846,317)	$ 62,512,320	$ 13,816,880	$ 226,506	$ 14,043,386	$ 17,763,999	$ 70,473,388
Excess (deficiency) of revenue over expenditures	28,995,321	(10,758,681)	39,104	-	39,104	-	18,275,744
Invested in capital assets (note 13(b))	(21,537,922)	21,537,922	-	-	-	-	-
Endowment contributions	-	-	-	-	-	1,793,735	1,793,735
Transfer (note 10)	12,970,445	-	(12,743,939)	(226,506)	(12,970,445)	-	-
Net changes during the year	20,427,844	10,779,241	(12,704,835)	(226,506)	(12,931,341)	1,793,735	20,069,479
Balance, end of year	$ (3,418,473)	$ 73,291,561	$ 1,112,045	$ -	$ 1,112,045	$ 19,557,734	$ 90,542,867

See accompanying notes to the consolidated financial statements.

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Consolidated Statement of Cash Flows
Year ended March, 2026, with comparative figures for year ending March 31, 2025

	March 31, 2026	March 31, 2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 21,382,126	$ 18,275,744
Items not affecting cash:		
Amortization of capital assets	20,849,130	20,944,031
Amortization of deferred capital contributions	(10,670,258)	(10,087,001)
Accretion Expense on Asset Retirement Obligation	271,544	262,614
Change in non-cash working capital:		
Accounts receivable	2,935,521	(4,651,512)
Inventories	(199,492)	346,071
Prepaid expenses	(284,017)	(108,163)
Accounts payable and accrued liabilities	(18,523,391)	(24,763,862)
Interest on Public Private Partnership	147,381	145,233
Accrued vacation	(996,822)	766,040
Post-employment, retirement benefits and compensated absences	544,656	631,121
Deferred revenue	1,102,702	1,161,225
	16,559,080	2,921,541
Financing activities:		
Endowment contributions	1,317,532	1,793,735
Repayment of long-term debt	(1,261,401)	(17,198,095)
	56,131	(15,404,360)
Capital activities:		
Contributions received for capital purposes (net of fair market value adjustment)	9,134,399	10,370,918
Purchase of capital assets	(8,180,879)	(13,407,815)
	953,520	(3,036,897)
Investing activities:		
Decrease in long-term receivables	687,958	653,628
(Increase) in investments	(9,037,711)	(14,983,195)
	(8,349,753)	(14,329,567)
(Decrease) Increase in cash	9,218,978	(29,849,283)
Cash, beginning of year	50,409,841	80,259,124
Cash, end of year	$ 59,628,819	$ 50,409,841
Supplemental cash flow information:		
Interest paid	$ 922,748	$ 1,098,727

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, 2026, with comparative figures for year ending March 31, 2025

	March 31, 2026	March 31, 2025
Accumulated remeasurement gains at beginning of year	$ 3,465,586	$ 3,681,634
Unrealized (losses) gains attributable to:		
Derivative - interest rate swap	203,828	(216,048)
Net remeasurement gains for the year	203,828	(216,048)
Accumulated remeasurement gains at end of year	$ 3,669,414	$ 3,465,586

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. Effective March 31, 2025 the Durham College Foundation became inactive and legally transferred its assets to Durham College (Note 19).

(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.

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 deferred contribution until awarded. 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.

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:

Whitby Residence	109 years
Buildings	40 years
Asset Retirement Obligation – Buildings	20 years
Building improvements	10 years
Equipment and furniture	5 - 10 years
Computer equipment	3 years

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Consolidated Financial Statements
Year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

The College initially recognizes infrastructure, or a betterment to infrastructure, procured through a public private partnership arrangement as an asset at cost where, through the terms and economic substance of the public private partnership the public sector entity controls the purpose and use of the infrastructure, access to the future economic benefits and exposure to risks of the infrastructure asset, and any significant residual interest in the infrastructure at the end of the public private partnership term. Where cost of the infrastructure asset is neither determinable nor verifiable from the public private partnership process and agreement, cost is determined to be the estimated fair value of the asset at the transaction date. Infrastructure assets are subsequently amortized on a straight-line basis over their estimated useful lives as follows:

Whitby Residence at 1614 Champlain Ave - 109 years

When the College recognizes an infrastructure asset in relation to a public private partnership and has an obligation to provide consideration to the private sector partner, it recognizes a liability that is initially measured at the same amount as the related infrastructure asset, reduced by any consideration previously provided to the private sector partner. The financial liability is subsequently measured at amortized cost using the effective interest method. The rate implicit to the agreement was utilized as the discount rate for determining the related financing charge.

(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:

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

(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.

(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, asset retirement obligations and compensated absences liabilities.

(k) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be

made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

2. ASSET RETIREMENT OBLIGATIONS

The College's consolidated financial statements include an asset retirement obligation for asbestos remediation for certain buildings. The related asset retirement costs are being amortized on a straight line basis over the estimated remaining useful lives of the related buildings. The liability has been estimated using a net present value technique with a discount rate of 3.40% (2025 - 3.40%). The estimated total undiscounted future expenditures are $14,579,068 (2025 - $14,579,068), which are to be incurred over the next twenty years. The liability is expected to be settled when renovations are completed on the space and the asbestos is removed during this time.

The carrying amount of the liability is as follows:

Asset Retirement Obligation as at, March 31, 2025	**$ 7,986,566**
Increase due to liability incurred during the current year	-
(Decrease) due to liability settled during the current year	-
Increase due to accretion expense	271,544
Increase / (decrease) due to revisions in estimated cash flows	-
Asset retirement obligation as at, March 31, 2026	**$ 8,258,110**

However, the total amount of the liability may change due to revisions of the regulation scope and if renovations to the space are completed earlier than the projected twenty years.

3. 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.

2026	Fair Value	Amortized Cost	Total
Cash	$ 59,628,819	$ -	$ 59,628,819
Accounts receivable	-	16,116,609	16,116,609
Current portion of long-term receivables	-	724,093	724,093
Short-term investments	43,716,861	-	43,716,861
Long-term investments	27,804,137	-	27,804,137
Long-term receivable	-	4,883,174	4,883,174
Accounts payable and accrued liabilities	-	35,979,696	35,979,696
Accrued vacation	-	8,674,467	8,674,467
Current portion of debt	-	1,317,355	1,317,355
Term debt due on demand	-	4,883,174	4,883,174
Long-term debt	-	17,279,527	17,279,527
Derivative liability	377,770	-	377,770

2025	Fair Value	Amortized Cost	Total
Cash	$ 50,409,841	$ -	$ 50,409,841
Accounts receivable	-	19,052,130	19,052,130
Current portion of long-term receivables	-	687,958	687,958
Short-term investments	37,624,606	-	37,624,606
Long-term investments	24,858,681	-	24,858,681
Long-term receivable	-	5,607,267	5,607,267
Accounts payable and accrued liabilities	-	54,503,087	54,503,087
Accrued vacation	-	9,671,289	9,671,289
Current portion of debt	-	1,261,401	1,261,401
Term debt due on demand	-	5,607,266	5,607,266
Long-term debt	-	17,872,790	17,872,790
Derivative liability	581,598	-	581,598

Investments consist of equity instruments in public companies $27,555,022 (2025 - $24,590,702), fixed income instruments $313,267 (2025 - $380,716) and Term Deposits with maturities of less than one year $43,652,709 (2025 - $37,511,869). Investments include $20,875,266 (2025 - $24,621,269) of investments externally restricted for endowment purposes (see Note 10).

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Consolidated Financial Statements
Year ended March 31, 2026

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Maturity profile of fixed income instruments held is as follows:

2026	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	$ 64,152	$ 160,611	$ 88,504	$ -	$ 313,267
Percentage of Total	20%	52%	28%	0%	

2025	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	$ 112,737	$ 228,965	$ 39,014	$ -	$ 380,716
Percentage of Total	30%	60%	10%	0%	

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).*

2026	Level 1	Level 2	Level 3	Total
Cash	$ 59,628,819	$ -	$ -	$ 59,628,819
Investments	71,207,731	313,267	-	71,520,998
Derivative liability	-	-	377,770	377,770
Total	$ 130,836,550	$ 313,267	$ 377,770	$131,527,587

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2025			
	Level 1	Level 2	Level 3	Total
Cash	$ 50,409,841	$ -	$ -	$ 50,409,841
Investments	62,102,571	380,716	-	62,483,287
Derivative liability	-	-	581,598	581,598
Total	$ 112,512,412	$ 380,716	$ 581,598	$113,474,726

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2026 and 2025. 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.

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, 2026, 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 $1,599,875 (2025 - $1,415,211).

(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, 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 $100,000 (2025 - $100,000).

DURHAM COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Consolidated Financial Statements
Year ended March 31, 2026

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

The College's investment policy complies with the Trustees Act, which imposes restrictions on the composition of the investment portfolio. All other College funds not required for daily operations are managed in accordance with the Ministry's Binding Directive on Banking, Investments, and Borrowing. This directive sets limits on the bond portfolio, including constraints on portfolio composition, issuer types, bond quality, aggregate issuer exposure, corporate sector allocation, 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 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 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 amounts outstanding at year-end are as follows:

	2026					
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91 - 120 days
Government receivables	$ 1,113,640	$ 1,113,640	$ -	$ -	$ -	$ -
Student receivables	8,187,196	-	837,487	267,918	808,703	6,273,088
Other receivables	11,691,377	7,604,548	2,403,506	229,712	43,871	1,409,740
Gross receivables	20,992,213	8,718,188	3,240,993	497,630	852,574	7,682,828
Less: impairment allowances	(4,875,604)	-	-	-	-	(4,875,604)
Net receivables	$ 16,116,609	$ 8,718,188	$ 3,240,993	$ 497,630	$ 852,574	$ 2,807,224

	2025					
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91 - 120 days
Government receivables	$ 2,260,439	$ 2,260,439	$ -	$ -	$ -	$ -
Student receivables	6,907,598	-	740,799	209,216	629,426	5,328,157
Other receivables	14,682,547	10,950,110	2,250,254	718,628	735,706	27,849
Gross receivables	23,850,584	13,210,549	2,991,053	927,844	1,365,132	5,356,006
Less: impairment allowances	(4,798,454)	-	-	-	-	(4,798,454)
Net receivables	$ 19,052,130	$ 13,210,549	$ 2,991,053	$ 927,844	$ 1,365,132	$ 557,552

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. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

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 7). 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 1.25% to 5.72% (2025 – 1.25% to 5.72%) with maturities ranging from June 22, 2026 to February 20, 2035 (2025 – June 12, 2025 to October 6, 2033).

At March 31, 2026, 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 $187,600 (2025 - $249,300). The College's term debt as described in Note 7 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.

(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, 2026 were approximately $nil (2025 - $nil) 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):

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3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

2026	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years
Accounts payable and accrued liabilities	$ 35,979,696	$ -	$ -	$ -
Accrued vacation	6,505,850	2,168,617	-	-
Debt	651,525	665,830	7,520,945	14,641,756
	$ 43,137,071	$ 2,834,447	$ 7,520,945	$ 14,641,756

2025	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years
Accounts payable and accrued liabilities	$ 54,503,087	$ -	$ -	$ -
Accrued vacation	7,253,467	2,417,822	-	-
Debt	623,863	637,538	7,199,868	16,280,188
	$ 62,380,417	$ 3,055,360	$ 7,199,868	$ 16,280,188

Derivative financial liabilities mature as described in Note 7.

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.

4. LONG-TERM RECEIVABLES

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 $4,883,174 (2025 - $5,607,267) and a current portion of $724,093 (2025 - $687,958) 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 7). The receivable is secured by the variable rate mortgage due on demand with an underlying swap on the Centre.

5. CAPITAL ASSETS

	Ending Cost	Accumulated Amortization	2026 Net book Value	2025 Net book Value
Land	$ 4,521,201	$ -	$ 4,521,201	$ 4,521,201
Buildings	296,143,884	147,119,018	149,024,866	154,975,169
Whitby Residence - (P3)	6,630,762	523,207	6,107,555	6,167,189
Building improvements	132,532,547	92,443,683	40,088,864	44,454,599
Asset Retirement Obligation (ARO) - Building	2,167,999	1,548,570	619,429	658,144
Equipment and furniture	118,584,612	102,912,098	15,672,514	16,264,792
Computer equipment	54,797,279	52,334,679	2,462,600	4,078,244
Construction-in-progress	254,943	-	254,943	300,885
	$615,633,227	**$396,881,255**	**$218,751,972**	$231,420,223

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

6. DEFERRED CONTRIBUTIONS

(a) Deferred revenue

Deferred revenue represents grants - $7,564,542 (2025 - $4,938,597), tuition fees - $8,465,668 (2025 - $12,959,694) and other revenue - $13,545,219 (2025 - $10,574,436) 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.

	2026	2025
Balance, beginning of year	**$ 132,877,421**	$ 134,550,062
Contributions received	**7,767,034**	8,414,360
Less amounts recognized to revenue	**(10,670,258)**	(10,087,001)
Balance, end of year	**$ 129,974,197**	$ 132,877,421

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6. DEFERRED CONTRIBUTIONS (continued)

(ii) Foundation

	2026	2025
Balance, beginning of year	**$ -**	$ 3,713,075
Net investment income and deferred contributions	-	2,701,182
Scholarships & Bursaries	-	(670,085)
Transfer to Durham College	-	(5,744,172)
Balance, end of year	**$ -**	$ -

(iii) Expenses of future periods

Deferred contributions represent unspent restricted donations for scholarships, bursaries and student experience fund.

	2026	2025
Balance, beginning of year	**$ 5,735,586**	$ 65,952
Contributions received	**2,189,415**	-
Transfer from Foundation	**0**	5,744,172
Disbursements	**(822,050)**	(74,538)
Balance, end of year	**$ 7,102,951**	$ 5,735,586
Total deferred contributions	**$ 137,077,148**	$ 138,613,007

7. DEBT

	2026	2025
Variable rate unsecured 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.	**$ 5,607,267**	$ 6,295,226
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.	**17,872,789**	18,446,231
	$ 23,480,056	$ 24,741,457
Less current portion	**1,317,355**	1,261,401
Less term debt due on demand	**4,883,174**	5,607,266
	$ 17,279,527	$ 17,872,790

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

2027	$ 1,317,355
2028	1,375,893
2029	1,437,137
2030	1,501,216
2031	1,568,267
Thereafter	16,280,188
	$ 23,480,056

Interest expense on long-term debt of $922,748 (2025 - $1,098,727) 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 Campus Recreation and Wellness 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, is $377,770 (2025 - $581,598) 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.

7. DEBT (continued)

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, 2026, the College had utilized $nil (2025 - $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, 2026.

8. PUBLIC PRIVATE PARTNERSHIP

In 2019, the College entered into a public private partnership arrangement with Campus Development Whitby Corp. (the Partner) for the design, construction, financing, operation and maintenance of a student residence at 1614 Champlain Ave.

Under the terms of the arrangement, the Partner is responsible for constructing, financing, operating and maintaining the student residence for a period of 69 years in exchange for cash payments to the Partner over the term of the arrangement. Refer to Note 5 – Capital Assets for information on the cost, accumulated amortization and net book value of the Whitby residence.

Upon expiry or other termination of the arrangement, the Partner must surrender the student residence building to the College in good condition. Under the terms of the arrangements, the College is obligated to provide the Partner with access to 1614 Champlain Ave. The College allocates its payments between the liability principal and interest expense in accordance with the effective interest rate method over the term of the arrangement. The liability is repayable in monthly installments, $37,467 (2025 – $36,678, which are indexed to CPI annually, including interest calculated at a rate of 7.885%, maturing on August 31, 2087. Principal repayments are not expected to commence until September 1, 2064 as the effective interest accrued on the principal balance currently exceeds the sum of the annual cash payments. During the current year, the interest expense recorded relating to the liability was $593,039 (2025 - $581,509).

9. 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:

2026	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,641,000	$ 291,772	$ 5,588,000	$ -	$ 7,520,772
Value of plan assets	(340,000)	-	-	-	(340,000)
Unamortized actuarial gains/(losses)	29,000	-	(1,779,000)	-	(1,750,000)
Total liability	**$ 1,330,000**	**$ 291,772**	**$ 3,809,000**	**$ -**	**$ 5,430,772**

2025	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,587,000	$ 195,116	$ 5,451,000	$ -	$ 7,233,116
Value of plan assets	(319,000)	-	-	-	(319,000)
Unamortized actuarial gains/(losses)	(6,000)	-	(2,022,000)	-	(2,028,000)
Total liability	**$ 1,262,000**	**$ 195,116**	**$ 3,429,000**	**$ -**	**$ 4,886,116**

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

2026	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 80,000	$ -	$ 396,000	$ -	$ 476,000
Interest on accrued benefit obligation	3,000	6,244	179,000	-	188,244
Amortized actuarial (gains)/losses	(9,000)	-	298,000	-	289,000
Total expense	**$ 74,000**	**$ 6,244**	**$ 873,000**	**$ -**	**$ 953,244**

2025	Post-employment Benefits	Retirement Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 335,000	$ -	$ 374,000	$ 1,000	$ 710,000
Interest on accrued benefit obligation	3,000	5,530	190,000	-	198,530
Amortized actuarial (gains)/losses	-	-	277,000	31,000	308,000
Total expense	**$ 338,000**	**$ 5,530**	**$ 841,000**	**$ 32,000**	**$ 1,216,530**

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.

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

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, 2025 indicated an actuarial surplus on a going concern basis of $6.1 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $11,796,164 in 2026 (2025 - $13,580,114), which has been included in the consolidated statement of operations.

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, 2026 of the future benefits was determined using a discount rate of 3.50% (2025 – 3.20%).

b) *Drug Costs*

Drug costs were assumed to increase at a 5.91% (2025 – 5.91%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

c) *Medical Costs*

Medical premium increases were assumed to increase at 5.91% per annum (2025 – 5.91%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

d) *Dental costs*

For the fiscal 2026 disclosure, dental costs and premiums were assumed to increase at 4.00% per annum (2025 – 4.00%).

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

e) *Retirement rates*

5.60% per annum starting at eligibility for reduced pension, increasing to 19.00% per annum after reaching eligibility for unreduced pension, with the remainder at age 65.

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:

	2026	2025
Wage and salary escalation	2.00%	2.00% - 4.25%
Discount Rate	3.50%	3.20%

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% (2025 – 0.00% to 23.50%) and 0 to 55.2 days (2025 – 0 to 54.0 days) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

10. 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.

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

Foundation: The expendable funds were transferred to the College following the legal transfer of the assets and liabilities of the Foundation to the College on March 31, 2025.

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

2026	Balance, Beginning of Year	Additions	Transfers, Adjustments, Disbursements	Balance, End of Year
Operating Contingency	$ -	$ -	$ -	$ -
Capital Investments - Residence	846,435	-	-	846,435
Expendable Donations	265,610	-	-	265,610
Foundation	-	-	-	-
	$ 1,112,045	**$ -**	**$ -**	**$ 1,112,045**

2025	Balance, Beginning of Year	Additions	Transfers, Adjustments, Disbursements	Balance, End of Year
Operating Contingency	$ 13,060,950	$ -	$ (13,060,950)	$ -
Capital Investments - Residence	755,930	-	90,505	846,435
Expendable Donations	-	39,104	226,506	265,610
Foundation	226,506	-	(226,506)	-
	$ 14,043,386	**$ 39,104**	**$ (12,970,445)**	**$ 1,112,045**

10. 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:

	2026	2025
OSOTF (Note 11)	**$ 5,748,902**	$ 5,581,458
OTSS (Note 12)	**7,069,041**	6,863,147
Externally Restricted Donations	**8,057,323**	7,113,129
	$ 20,875,266	$ 19,557,734

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

11. 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 programs:

11. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS (continued)

(a) OSOTF I:

	2026	2025
Schedule of Changes in Endowment Fund Balance		
Endowment fund balance, beginning of year	**$ 2,792,752**	$ 2,790,446
Preservation of capital	**83,783**	2,306
Endowment fund balance, end of year	**$ 2,876,535**	$ 2,792,752
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	**$ 986,660**	$ 747,901
Realized investment income	**302,540**	338,657
Bursaries awarded	**(101,761)**	(99,898)
Expendable balance, end of year	**1,187,439**	986,660
Number of bursaries awarded	**81**	78
Market value of endowment	**$ 5,096,598**	$ 4,633,350

(b) OSOTF II:

	2026	2025
Schedule of Changes in Endowment Fund Balance		
Endowment fund balance, beginning of year	**$ 2,788,706**	$ 2,786,404
Preservation of capital	**83,661**	2,302
Endowment fund balance, end of year	**$ 2,872,367**	$ 2,788,706
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	**$ 985,456**	$ 747,043
Realized investment income	**302,102**	338,166
Bursaries awarded	**(101,613)**	(99,753)
Expendable balance, end of year	**1,185,945**	985,456
Number of bursaries awarded	**81**	78
Market value of endowment	**$ 5,089,436**	$ 4,639,851

12. 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:

	2026	2025
Schedule of Changes in Endowment Fund Balance		
Endowment balance, beginning of year	**$ 6,863,147**	$ 6,857,481
Preservation of capital	**205,894**	5,666
Endowment fund balance, end of year	**$ 7,069,041**	$ 6,863,147
Schedule of Changes in Expendable Funds Available for Awards		
Expendable balance, beginning of year	**$ 2,484,599**	$ 1,891,825
Realized investment income	**745,917**	838,272
Bursaries awarded	**(250,076)**	(245,498)
Expendable balance, end of year	**$ 2,980,440**	$ 2,484,599
Number of Bursaries awarded	**198**	192
Market value of endowment	**$ 12,587,132**	$ 11,462,253

13. INVESTED IN CAPITAL ASSETS

(a) Investment in capital assets represents the following:

	2026	2025
Capital assets - net book value	**$ 218,751,972**	$ 231,420,223
Less amounts financed by deferred capital contributions (Note 6(b)(i))	**(129,974,197)**	(132,877,421)
Add unspent deferred capital contributions	**-**	20,323
Less amount financed by debt and lease	**(17,872,789)**	(18,446,231)
Less net book value of P3 - Building	**(6,107,555)**	(6,167,189)
Less net book value of capitalized ARO - Building	**(619,429)**	(658,144)
Investment in capital assets	**$ 64,178,002**	$ 73,291,561

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

	2026	2025
Amortization of deferred capital contributions	**$ 10,670,258**	$ 10,087,001
Amortization of capital assets	**(20,849,130)**	$ (20,944,031)
Amortization of capitalized P3 - Building	**59,634**	$ 59,635
Amortization of capitalized ARO - Building	**38,714**	$ 38,714
	$ (10,080,524)	$ (10,758,681)
Net change in investment in capital assets:		
Purchase of capital assets	**$ 8,180,879**	$ 13,407,815
Amounts funded by:		
Deferred capital contributions (Note 6(b)(i))	**(7,767,034)**	$ (8,414,360)
(Spent)/Unspent deferred capital contributions	**(20,323)**	$ -
Repayment of debt	**573,443**	$ 16,544,467
	$ 966,965	$ 21,537,922
	$ (9,113,559)	$ 10,779,241

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14. 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.

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.

15. COMMITMENTS

Premises and equipment

Future minimum lease payments, exclusive of taxes and operating costs, for premises and equipment under operating leases at March 31, 2026 are as follows:

2027	$ 684,160
2028	522,377
2029	440,728
2030	442,735
2031	451,589
Thereafter	402,038
	$ 2,943,627

Whitby Residence

The College has entered into a 69 year contract for the delivery of property management services related to its Whitby Residence, which requires the College to pay the service provider $180 plus HST, per bed, per month (adjusted for CPI annually). Currently, there are 61 years remaining on this contract. Management has estimated its remaining contractual obligations as:

15. COMMITMENTS (continued)

2027	$ 173,799
2028	177,536
2029	181,353
2030	185,252
2031	189,235
Thereafter	20,599,516
	$ 21,506,691

16. RELATED PARTY TRANSCATIONS

The College contracted with a company, All or Nothing Brewhouse connected to Jeffrey Dornan, a governor of the College, for services provided to the College, for the purchase of goods. The related purchases were conducted on an arm's-length basis and were insignificant in terms of overall expense.

17. 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.

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17. GUARANTEES (continued)

(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, 2026 was $111,807,863 (2025 - $120,778,436).

On August 12, 2011, an agreement was signed between the University and Ministry of Colleges, Universities, Research Excellence and Security (the "MCURES") whereby the MCURES 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.

18. INTERNATIONAL STUDY PERMITS

On January 22, 2024, the Government of Canada (the "Government") announced a cap on international student permit applications for a period of two years, resulting in a reduction of approximately 35% of approved study permits from 2023.

On September 18, 2024, the Government announced further reforms to the International Student Program which included a further reduction on the cap of international student study permits for 2025 by 10% over the approved 2024 target, a change to the Post-Graduation Work Permit ("PGWP") eligibility and defining the list of eligible programs.

A portion of the College's tuition revenue continues to be derived from international students. The financial impact of the federal directives related to international student enrolment is reflected on the consolidated financial statements. The College does not anticipate any additional decline to materially impact its future financial position.

19. SIGNIFICANT EVENT

On June 11, 2024, the Foundation's Board of Directors approved a motion to voluntarily transfer the assets of the Foundation to Durham College, effective March 31, 2025. An agreement was executed between Durham College and the Foundation on March 31, 2025 legally transferring the assets and liabilities to the College. The Foundation is inactive but meeting its legal governance requirements by appointing three governors being the President of Durham College, the Chair, and Vice-Chair of the Durham College Board of Governors Audit and Finance Committee.

19. SIGNIFICANT EVENT (continued)

On April 10, 2026, the Durham College Board of Governors approved a new by-law which changed the governance structure to make Durham College the sole member of the Foundation and subsequently appointed the Durham College President as its authorized representative.

With these changes enacted, the following directors will be appointed to the Foundation effective June 11, 2026, the Durham College President, Durham College Vice President, Corporate Services and Chief Financial Officer, and Durham College Associate Vice President, Advancement and Alumni.

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