



IMPACT THAT MATTERS

2016-2017 ANNUAL REPORT



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LETTER OF TRANSMITTAL

400-119 4th Avenue South
Saskatoon SK S7K 5X2

September 29, 2017

The Honourable Kevin Doherty
Minister of Advanced Education
Government of Saskatchewan
Regina SK S4S 0B3

Dear Minister:

On behalf of the board of directors of Saskatchewan Polytechnic, and in accordance with the provisions of The Saskatchewan Polytechnic Act, I am pleased to submit the annual report and audited financial statements of Saskatchewan Polytechnic for the fiscal year ended June 30, 2017.

Respectfully submitted,

Ralph E. Boychuk, Chair
Saskatchewan Polytechnic Board of Directors

UNDERSTANDING THIS REPORT

Before reading the annual report, it's essential to understand the planning process that precedes it. Saskatchewan Polytechnic uses a three-part planning process that aligns strategic initiatives and business activities with the organization's long-term vision. The foundational element for this process is the 10-year strategic plan (2009-19) that sets out four strategic themes.

An annual multi-year business plan (MYBP) translates the strategic vision into action, detailing planning assumptions and assigning resources to advance new strategic initiatives and support ongoing activities. Initiatives in the MYBP are organized under 18 strategic goals, each of which relates to one of the four themes from the strategic plan:

1. Building successful careers
2. Advancing economic and social prosperity
3. Leveraging educational innovation
4. Leading organizational effectiveness

The third component of Saskatchewan Polytechnic's planning process is an operations forecast, which summarizes key challenges and opportunities for planning purposes.

The first section of this annual report highlights initiatives related to the four strategic themes listed above. The second section provides comparisons of key student, employee and employer data, and the third section reports on financial performance, comparing it to previous and planned results and providing analysis of variances. In all respects, the financial and non-financial information in the annual report is presented fairly, and systems of internal control are maintained to provide reasonable assurance that this information is relevant, reliable and accurate.

Saskatchewan Polytechnic's planning and reporting approach is based on a balanced scorecard framework that links strategy implementation with organizational goals and initiatives. It allows Saskatchewan Polytechnic to look at its business from four perspectives: clients; internal processes; people, leadership and growth; and enterprise sustainability.

In 2010-11, a balanced scorecard measures team was formed to recommend key performance measures for each of Saskatchewan Polytechnic's strategic goals. The results of the team's work were presented to the Saskatchewan Polytechnic board of directors for approval at its November 2011 meeting. Further development of Sask Polytech's balanced scorecard framework has continued with the refinement of measures, targets and benchmarks in 2012 and beyond.

In 2011-12, Saskatchewan Polytechnic made additional progress toward aligning its enterprise risk management (ERM) approach with its strategic planning process.

More information about ERM is included under Management Discussion and Analysis in the Financials section of this report.

For copies of Saskatchewan Polytechnic's strategic plan, MYBP, operations forecast and previous annual reports, please visit saskpolytech.ca.





VISION, MISSION, VALUES

OUR VISION:

By 2020, our expertise in responsive applied education and research that meet student and market needs will make us globally recognized as the first-choice polytechnic in Canada.

OUR MISSION:

To educate students and provide skilled and successful graduates.

OUR VALUES:

- **Respect** – We care about one another and about our workplace. We foster an open and inclusive environment that embraces diverse cultures, heritages and opinions; we learn, work and support each other as one team.
- **Integrity** – We are committed to being accountable and transparent. We are honest with one another. We hold ourselves to high standards of ethical behavior and take responsibility for our actions.
- **Sustainability** – We work, live and learn in a socially and environmentally responsible manner. We support the health, safety and overall well-being of our students, employees and partners. We are conscientious stewards of our resources and continuously look for entrepreneurial and creative ways to strengthen and improve our organization. These considerations underlie all our actions, behaviours and decisions.
- **Excellence** – We go above and beyond what is normally expected to achieve excellence in our teaching, in our programming, in our learning and in our services. We accomplish this by maintaining high standards, strong competencies and committed partnerships, and by being responsive and accessible.

MESSAGE FROM CHAIR

Saskatchewan Polytechnic graduates are recognized across the province for their strong work ethic, applied learning and problem-solving abilities. This well-deserved reputation does not happen on its own. It is achieved through high standards, strong competencies, committed partnerships, and by being responsive and accessible to students and employers alike.

Our leadership, faculty and staff are committed to the institution's mission of educating students and providing skilled and successful graduates. As this annual report illustrates, our expertise in responsive applied education and research is exemplary. As such, we are well on our way to achieving our vision of becoming recognized as Canada's first-choice polytechnic by 2020.

We serve a wide cross-section of students, from recent high school graduates to those returning to the classroom to gain new skills in a changing economy. Regardless of their backgrounds, students recognize the great value Saskatchewan Polytechnic offers—value that will serve them throughout their careers.

We are proud of our accomplishments of the past academic year and look forward to equipping our students and future graduates to seize the vast opportunities ahead.

Sincerely,
Ralph E. Boychuk, Chair
Board of Directors

MESSAGE FROM PRESIDENT & CEO

The 2016–17 academic year was a productive one for Saskatchewan Polytechnic. While other organizations across Saskatchewan struggled with the effects of the continuing economic slowdown, Sask Polytech added new programs and initiatives, some of which are highlighted in this annual report, to serve a growing student population and prepare it for tomorrow's workforce.

Change is happening all around us. Many of the jobs that are performed today will have transformed dramatically or will not even exist by the time today's graduates reach the midway point of their career. We must make sure our students receive the right skills training now to meet future opportunities so that they can prosper in the years ahead. Saskatchewan depends on it.

Excellence in applied research, hands-on experience students can apply on the job, and strong partnerships with business, industry, government and other educational institutions differentiate Saskatchewan Polytechnic from other post-secondary institutions.

We have incredible faculty and staff, and their work and accomplishments will continue to have a profound impact not only on the lives of our students, but also in our communities and across the province.

In the pages ahead, you will learn more about this impact. As we look to the 2017–18 academic year, we are excited about the opportunities, and we will build on our successes to ensure Saskatchewan Polytechnic and our students and stakeholders remain an integral part of Saskatchewan's future and its economic growth.

Sincerely,
Dr. Larry Rosia
President & CEO

PRESIDENT & CEO



Dr. Larry Rosia

BOARD OF DIRECTORS



Chair Ralph Boychuk
Prince Albert
Appointed November 2008



Vice-Chair Pam Schwann
Craven
Appointed November 2008
Retired March 2017



Secretary Jim Nowakowski
Saskatoon
Appointed January 2013



Garry Benning
Grasswood
Appointed January 2013



Donna L. Birkmaier
Saskatoon
Appointed November 2008



Lydia Cyr
Fort Qu'Appelle
Appointed October 2014



Erick Erickson
Silton
Appointed January 2013



Kerry Heid
Regina
Appointed January 2013



Terry Parker
Regina
Appointed November 2008
Retired May 2017



Robert Stromberg
Cochin
Appointed May 2013



Arlene Unvoas
Swift Current
Appointed March 2013



Mark Vanstone
Saskatoon
Appointed January 2013



Brent Waldo
Moose Jaw
Appointed November 2008

IMPACT THAT MATTERS

Saskatchewan Polytechnic is an institution focused on improving the world around us. Sask Polytech helps students, faculty, partners and employers bring ideas to life and celebrates the successes of everyone who passes through our doors. We aim to leave our mark and have a positive impact on everyone we work with – having an impact that matters is important to us. It is also evident in the stories our students, faculty, staff, alumni, industry partners and communities have to tell.

ALUMNUS WINS GUINNESS WORLD RECORD FOR BEING THE WORLD'S OLDEST PLUMBER

Even though he's in his early 90s, Lorne Figley is proud to still be working every day, doing what he loves.

"Working helps keep my body fit and my brain sharp. I hope to die with a pipe wrench in my hand," says Lorne.

Having received his technical training at Sask Polytech in the 1950s and 1970s, Lorne says he still uses that knowledge as he continues to operate his own heating and plumbing business in Saskatoon.

Lorne says his instructors at the institution had a major impact and set him in the direction of a lifelong and rewarding career. He also says that having access to quality technical training enabled him to expand his expertise and survive economic ups and downs.

In October 2016, Sask Polytech presented Lorne with a lifetime achievement award. As well, a \$500 student award was created in Lorne's name for the apprenticeship student who receives the highest marks on his or her journeyman exam for a trade of Lorne's choosing.

As far as becoming a Guinness World Record holder, Lorne says he's pretty proud of his achievements.

"My children and grandchildren include three engineers, four PhD's, a nurse, a lawyer and a veterinarian, but I'm the only one with a Guinness World Record," he says with a chuckle.



Shell Eco-marathon® AMERICA



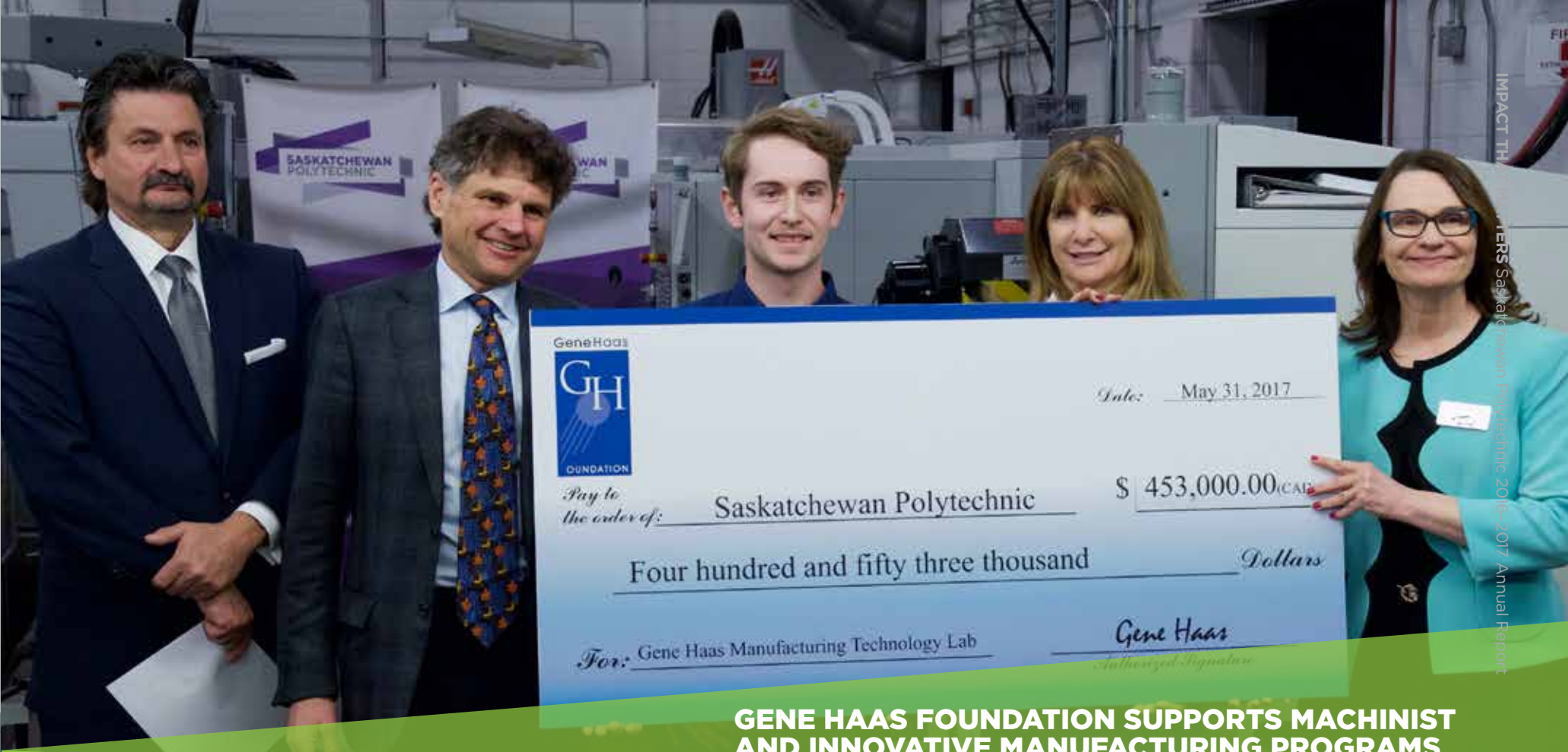
ECO-CAR MAKES GREAT DEBUT RUN, FINISHING 18TH OVERALL

In May 2017, a team of Mechanical and CAD/CAM Engineering Technology students got to show the world what they are made of. Participating in the Shell Eco-Marathon in Detroit, the student-designed and -built ultra-fuel-efficient vehicle made a big impression performing alongside major universities from Canada and the US.

“It was a tricky course,” says Tim Muench, program head for the Mechanical and CAD/CAM Engineering programs. “The team had to manage some steep inclines and six street-corner turns while weaving through the traffic of many competitors. And the weather wasn’t very co-operative. We were fighting against strong winds, cold temperatures and, at times, precipitation.”

Prior to hitting the track, the car had to pass a day and a half worth of arduous technical and safety inspections before being allowed to test on the preliminary indoor track. Then, with the car in race-ready condition, the team completed three valid attempts on the bumpy outdoor road course in downtown Detroit and managed to squeeze out 652 miles per gallon Imperial, which was enough to place them 18th out of the 54 universities and colleges that competed in their category.

“Ranking 18th is something we all should be proud of. Especially since this is the first time we’ve ever competed in the Shell Eco-Marathon,” says Tim. “With this experience under our belts, we’re ready to rank even higher next year.”



GENE HAAS FOUNDATION SUPPORTS MACHINIST AND INNOVATIVE MANUFACTURING PROGRAMS

In May 2017, the Gene Haas Foundation generously donated \$453,000 in support of Saskatchewan's manufacturing sector with a state-of-the-art lab.

The Gene Haas Manufacturing Technology Lab will have a massive impact on students' learning, faculty research and meeting industry needs by providing access to the latest in equipment and technology. Renovations and upgrades will be made to the existing Machinist training facility at Regina campus for use by Innovative Manufacturing program students as well as Machinist, Welding and Welding Fabricator certificate students and

professionals working in the manufacturing industry. It will also be available to support applied research projects with industry.

"The Gene Haas Foundation is proud to be partnering with Saskatchewan Polytechnic. This grant is the next step in a long and fruitful relationship with all who have made the manufacturing program what it is today and will be going forward," says Kathy Looman, Gene Haas Foundation administrator.

The Gene Haas Foundation also provided more than \$80,000 to fund scholarships for Sask Polytech students. Along with Haas Automation and Thomas Skinner and Sons, Inc., the Gene Haas Foundation is a significant partner in providing a highly skilled workforce for Saskatchewan's manufacturing sector.



PREVIOUS ACHIEVEMENTS AND EXPERIENCE ARE VALUABLE LEARNING OPPORTUNITIES

Life is full of learning moments. From learning on-the-job to learning at home, there are a number of ways that we grow knowledge and develop skills. At Sask Polytech, Prior Learning Assessment and Recognition (PLAR) is used as a way to acknowledge that learning happens in many areas of our lives.

“It provides assessment of knowledge and skills gained through work, volunteering and other informal learning for credit within a formal learning setting, such as our programs,” says Barb Gustafson, Learner Pathways coordinator. “It provides a significant number of credits to our students and helps them gain credentials faster, to get into industry faster.”

The PLAR and transfer credit program allows Sask Polytech to recognize previous learning and adds value to current or future educational opportunities, helping students reach their goals faster. Sask Polytech is a leader in using PLAR, offering guidance and advice to other polytechnics across the country.

Using PLAR has positively impacted students' educational and career choices for more than 20 years. For Rhonda Fairburn, a recent graduate of the Office Administration program via PLAR, the experience was challenging, but incredibly rewarding.

“At first when I was looking for a job, most of the positions I was applying for required an Office Education or Office Administration certificate, which I didn't have at the time,” says Rhonda. “PLAR helped me upgrade my certificate so I could find a job.”

LOVE YOUR LAKES CREATES WAVES ON SASKATCHEWAN'S SHORELINES

Sask Polytech student Blossom Lamalice knows that when you love something, you take care of it.

"Everybody loves their lakes and they want them to be here for future generations. If we start taking care of them now, they will be here for many years to come," she says.

Currently a student in the Integrated Resource Management diploma program, Blossom says she is passionate about the future of Canada's waterways. As an active student in the Love Your Lakes applied research project, which examines the sediment, vegetation and other features of various shorelines to assess the current environmental state, Blossom helps property owners understand how to take care of the lakes they live on.

"We give them a report that provides property owners with ideas on how to improve and preserve their shorelines," says Blossom. "Permanent residents have watched their lakes change over time and usually are really happy to learn how they can help maintain the shoreline to ensure the lake survives over time."

Funded by the North Saskatchewan River Basin Council, the District of Lakeland and Sask Polytech's Sustainability Initiative Fund, the program and associated applied research consists of a packaged shoreline evaluation and stewardship program.

"My personal hope is to see people have a better understanding of their shoreline and realize how they can improve certain things," says Blossom.





WOMEN IN TRADES & TECHNOLOGY



For Jessica Baldwin, the Women in Trades & Technology (WITT) provincial facilitator, the way the program has evolved over the past 30 years is impressive.

“We want to inspire and encourage girls and women seeking a career in a typically male-dominated field,”

says Jessica. “I am proud of the impact we’ve had on many women across the province, and on industry, for the past 30 years.”

WITT has developed a number of focused programs over the years, including the Girls Exploring Trades and Technology (GETT) camps, which first began in 1991. These camps have provided more than 3,500 girls in grades six, seven and eight with the opportunity to work on fun projects in woodworking, plumbing, auto body and welding.

“GETT girls are encouraged to be inventive and to problem solve,” shares Jessica. “The result is a week of girl-power where campers are enabled to see themselves in an otherwise overlooked technology and trades occupation.”

In addition to the various programs, WITT runs an informal mentorship program that matches students and apprentices with experienced professionals.

“WITT at Sask Polytech looks to bridge the employment gap between men and women in trades and technology careers,” says Jessica. “It’s an important impact to make, and we, along with our industry partners, work towards it every day.”

MAKING A POSITIVE IMPACT

Before Conner Lapointe started the Instrumentation Engineering Technology program, he first had to complete a few prerequisites in the Adult Education program.

“It was really good for me because I could work full time and still take classes at night. The transition to post-secondary was seamless, thanks to Sask Polytech,” says Conner.

Conner, a Métis individual, says one of the best parts of attending Sask Polytech is the friendships he’s been able to build with his classmates.

“In most cases, the people you start the program with will be with you until graduation, and this allows you to create some great relationships ... I have met people from different backgrounds and got to share experiences with great people,” he says.

When he reflects on his time at Sask Polytech, Conner says one of the most important lessons he’s learned is to appreciate the lows times as much as the high times.

“You can’t enjoy the happy times unless you’ve felt the lows,” he says. “Mistakes will be made but if you learn from them it will only make you a better person.”

As Conner moves on from school, his primary career goal is pretty simple, and pretty important: to find a job that will have a positive impact on the well-being of the world.

“If I can go home every night knowing what I did that day helped in any way, small or big, I will be happy,” he says.





ALL ABOARD WITH UPDATED ZOO TRAIN

The Kinsmen Express Train at the Saskatoon Forestry Farm & Zoo has been given a new lease on life thanks to several students in the Auto Body Technician and Automotive Service Technician programs.

“These students made some lasting memories, and helped other people make lasting memories as well,” says Scott Kucharyshen, Auto Body program head. “One day they will be visiting the zoo with their families and see the train and, hopefully, be very proud of the work they did.”

Automotive Service Technician students rebuilt the engine’s transmission, repaired the body of the train and got it back in working order.

For the City of Saskatoon, a partnership such as this one is about creating impact on an entire city.

“Partnering with Sask Polytech means the City of Saskatoon gets access to skilled experts and can provide hands-on educational opportunities for students, while still managing to meet our own goals to ensure Saskatoon remains a great city to live, work and play in,” says Tim Sinclair-Smith, Saskatoon Forestry Farm Park & Zoo manager.



SCHOOL OF NURSING CELEBRATES 50 YEARS OF IMPACT

In May 2017, more than 200 alumni, faculty, students and supporters gathered to celebrate the 50th anniversary of the School of Nursing.

“We are delighted to honour the pioneering efforts of thousands of alumni in advancing nursing education, research and scholarly work,” says Dr. Netha Dyck, dean, School of Nursing and School of Health Sciences.

Cindy Smith, associate dean and chair of the school’s 50th anniversary activities, says a highlight of the celebrations was the establishment of the Legacy Trust fund for nursing students. The trust will fund scholarships and bursaries for future generations of students enrolled in the School of Nursing programs.

“By supporting our future students, we are also honouring our rich history of student success,” says Cindy. “By establishing a trust fund we are creating a legacy based on supporting scholarships and bursaries.”

Celebrations included simulation centre and campus tours, an artifacts display, history timeline, fashion show and an evening program with esteemed alumni as the keynote speakers.

2016-17 AWARDS

EMPLOYEE AWARD RECIPIENTS

Saskatchewan Polytechnic will become Canada's top choice polytechnic thanks to the hard work and dedication our employees put towards finding innovative solutions and helping students succeed. Every year employees from each campus city are recognized for going above and beyond to support our vision and values. Their hard work means Saskatchewan Polytechnic continues to be a recognized leader in the development and delivery of skills and technical training. Congrats to the 2016 Employee Award recipients:

- **Chris Chasmar**, Outstanding Service Award (Moose Jaw)
- **Colin Winter**, Outstanding Service Award (Regina)
- **Patti Manson**, President's Award for Excellence (Regina)
- **Jim Tait**, Outstanding Service Award (Saskatoon)
- **Melissa Mantyka**, Outstanding Service Award (Administrative Offices)
- **Theresa Papp**, Innovation Award
- **Tom Ross**, Outstanding Service Award, posthumously (Prince Albert)



PRESIDENT'S PARTNERSHIP AWARD RECIPIENTS

At the 2017 President's Gala, Saskatchewan Polytechnic honoured program, industry and alumni partners and recognized their contributions and achievements that support our organization and students:

- **George Pohorelic**, Alumni Partnership Award
- **Spartan Controls**, Industry Partnership Award
- **Gillian Oberndorfer**, Program Partnership Award
- **Chantel Buffalo**, Young Alumnus Partnership Award



FACULTY AWARD FOR EXCELLENCE: TEACHING RECIPIENTS

This is the second year Saskatchewan Polytechnic has acknowledged outstanding faculty members who go above and beyond to support students. The faculty at Saskatchewan Polytechnic are truly exceptional and work hard to ensure students have the best learning opportunities available. Our success as an institution is reliant on their dedication to fostering student success. This year, Saskatchewan Polytechnic recognized four faculty members who demonstrated excellence in teaching:

- **Jodi Thompson**, Medical Diagnostics Department (Saskatoon)
- **Karrie Orr**, School of Nursing instructor (Saskatoon)
- **Josh Davidson**, Recreation and Community Development Program (Saskatoon)
- **Ron Mang**, School of Community Services (Regina)



SKILLS CANADA NATIONAL COMPETITION MEDAL RECIPIENTS



In May 2017, Saskatchewan Polytechnic students competed against 600 young people from across the country at the Skills Canada National Competition in Winnipeg and came out on top with five medals, including three gold and two bronze. Congratulations to the competitors:

Competition	Competitor	Standing
Architectural Technology	Kolten Altrogge	Bronze
Automation and Control	Justin Chapman	Gold
Carpentry	Dallas Stadnyk	Bronze
Graphic Design	Michaela Taylor	Gold
Welding	Adam Sebastian	Gold

REGIONAL CENTRE OF EXPERTISE AWARDS

This spring two Saskatchewan Polytechnic projects received awards from the Regional Centre of Expertise (RCE) Saskatchewan on Education for Sustainable Development. RCE Saskatchewan celebrated a total of 25 projects at their 9th annual recognition awards.

Congratulations to the Solar Power Demonstration Site, a partnership between Saskatoon Light and Power, the Saskatchewan Environmental Society Co-operative/Solar Co-Op Ltd. and Saskatchewan Polytechnic. The Solar Power Demonstration Site is one of the province's first power generation co-operatives.

Congratulations also go to the Shoreline Health Assessments project, which examines the sediment, vegetation and other features of various shorelines to assess current environmental states and provides a report to property owners.

SASKATCHEWAN POLYTECHNIC NAMED TOP EMPLOYER!



In April 2017, Saskatchewan Polytechnic was named one of Saskatchewan's Top Employers by Mediacorp Canada. Saskatchewan Polytechnic strives to be an employer of choice and an institution that attracts and retains the best people.

"I'm extremely proud Saskatchewan Polytechnic is being recognized as a top employer in Saskatchewan," says Dr. Larry Rosia, president and CEO. "We strive to be an employer of choice. This confirms that we are an institution that attracts and retains the best people, and that our faculty and staff are proud of where they work and the work they do."

CANADIAN FORCES LIAISON COUNCIL EMPLOYER SUPPORT AWARD

Saskatchewan Polytechnic strives to put students first in everything it does. But as an employer of choice, Sask Polytech recognizes one of the best ways to help students succeed is by supporting our faculty and staff. For Guinevere Bourque, the support she has received to pursue her military career alongside her professional career has been remarkable, so much so that she was moved to nominate Sask Polytech for a Canadian Forces Liaison Council Employer Support Award.

For Lt. Col. Bourque, Sask Polytech's willingness to be flexible when she has had to leave Sask Polytech for military purposes is a big reason why she has been able to succeed in achieving both her military and her career goals.

STATISTICS

ACADEMIC YEAR 2016-17



GRADUATES

NUMBER OF GRADUATES

Applied Certificate:	765
Certificate:	2,094
Advanced Certificate:	149
Post Grad Certificate:	28
Diploma:	1,085
Degree - Standalone:	1

TOTAL: 4,122

** Number of graduates does not include the joint degree programs with the University of Regina, as they are credentialed by the University of Regina.

PROGRAMMING

NUMBER OF POST-SECONDARY PROGRAMS

Applied Certificate:	37
Certificate:	47
Advanced Certificate:	12
Diploma:	52
Degree:	3
Post Graduate Certificate:	2
Apprenticeship:	24

TOTAL: 177

NUMBER OF WORK INTEGRATED LEARNING PROGRAMS

79

NUMBER OF APPRENTICESHIP PROGRAMS

24

Saskatchewan Polytechnic trains 5,369 of the province's apprentices.

NUMBER OF CO-OPERATIVE PROGRAMS

14

EMPLOYMENT

Source: 2017 Graduate Follow-Up Study

GRAD EMPLOYMENT RATE

92%

INDIGENOUS GRAD EMPLOYMENT RATE

85%

VISIBLE MINORITY GRAD EMPLOYMENT RATE

90%

EMPLOYMENT RATE BY SCHOOL

Business:	92%
Construction:	88%
Health Sciences:	99%
Hospitality and Tourism:	75%
Human Services and Community Safety:	93%
Information and Communications Technology:	85%
Mining, Energy and Manufacturing:	90%
Natural Resources and Built Environment:	95%
Nursing:	98%
Transportation:	91%

TOTAL GRAD EMPLOYMENT RATE: 92%

EMPLOYER SATISFACTION RATE

Source: 2015-16 Employer Survey

96%

GRADUATE SATISFACTION RATE

95%

GRADUATES EMPLOYED IN SASKATCHEWAN

94%

GRADUATE AVERAGE ANNUAL SALARY

\$49,252



STUDENTS

PROGRAM ENROLMENT

TRAINING LEVEL	FULL TIME	PART TIME	TOTAL HEADCOUNT
Programs			
Basic Education	2,516	1,581	4,097
Apprenticeship	5,291	78	5,369
Sask Polytech	5,291	71	5,362
Brokered	0	7	7
Cert-Dip-Degree Base	5,821	581	6,402
Sask Polytech	4,475	574	5,049
Brokered	-	-	-
Joint Degree ³	1,346	7	1,353
Cert-Dip-Degree Con Ed	1,781	1,557	3,338
Sask Polytech	495	1,230	1,725
Brokered	1,286	327	1,613
All Levels	15,409	3,797	19,206
Distinct Students¹ Enrolled in Programs			18,612

FULL LOAD EQUIVALENT (FLE)²

TRAINING LEVEL	PROGRAM FLE	COURSES FLE	TOTAL FLE
Credit			
Basic Education	2,316	385	2,701
Apprenticeship	1,920	3	1,923
Sask Polytech	1,918	3	1,921
Brokered	2	0	2
Cert-Dip-Degree Base	6,397	44	6,441
Sask Polytech	5,760	41	5,801
Brokered	71	3	74
Joint Degree ³	566	n/a	566
Cert-Dip-Degree Con Ed	1,974	875	2,850
Sask Polytech	614	805	1,418
Brokered	1,361	71	1,431
Subtotal Credit Activity	12,607	1,308	13,915
Non-Credit	n/a	261	261
All Levels	12,607	1,569	14,176
Distinct Students in All Training (Programs and Courses)			27,897

COURSE REGISTRATION

TRAINING LEVEL	TOTAL COURSE REGISTRATIONS
Credit	
Basic Education	3,477
Apprenticeship	76
Sask Polytech	76
Brokering Institutions	0
Cert-Dip-Degree Base	642
Sask Polytech	615
Brokering Institutions	27
Joint Degree ³	-
Cert-Dip-Degree Con Ed	13,852
Sask Polytech	12,519
Brokering Institutions	1,333
Subtotal Credit Activity	18,047
Non-Credit	5,519
All Levels	23,566
Distinct Students Registered in Courses	12,635

Notes:

- Given a student can be enrolled in more than one program or level of training in an academic year, the number of distinct students may be less than the sum of the program enrolment totals. Further, as students may have attended more than one campus in an academic year the campus distinct counts may not add to the overall total.
- Full load equivalent (FLE) reports a student's 'full-load' activity based on the total number of credits/hours they attend, relative to the number of credits/hours that would normally be assigned to a full-time learner over the academic year. The overall FLE represents all activity at Saskatchewan Polytechnic and is inclusive of students who are enrolled in programs and/or registered in individual courses. FLE is calculated based on a standard divisor of 45 credit units for post-secondary training and 700 hours for secondary training (Basic Education).
- Saskatchewan Polytechnic, in partnership with the University of Regina, delivers two joint degree programs - the Saskatchewan Collaborative Bachelor of Science in Nursing (SCBScN) program and the Collaborative Nurse Practitioner (CNPP) masters program. Official student records for the joint programs are managed by the University of Regina. Based on data shared by the U of R, there were 1,281 SCBScN enrolments and 65 CNPP enrolments entered in Saskatchewan Polytechnic's student information system. The BSCN students have been reported as full-time program enrolment; however, the actual attendance status of these students is not known, given the University of Regina manages the detailed enrolment records. In the event of a headcount discrepancy, U of R enrolment numbers are to be used as the official record. Full load equivalent numbers have been provided by the U of R, and are proportionate to the teaching load provided by Saskatchewan Polytechnic faculty.

Source: Operational Data Store, 2016-17 AY Census Extract, Sept 3, 2017.

NUMBER OF STUDENTS

27,897



NUMBER OF INTERNATIONAL STUDENTS

600



NUMBER OF INDIGENOUS STUDENTS

4,284



TOTAL OVERSEAS ENROLMENT

23



India 20



Vietnam 2



Mauritius 1

- Saskatchewan Student Visa: 558
- Brokered Student Visa: 46

EMPLOYERS
LOVE OUR
GRADS!

97%

of employers said they'd hire a
Sask Polytech grad again.

\$

\$1,800,000

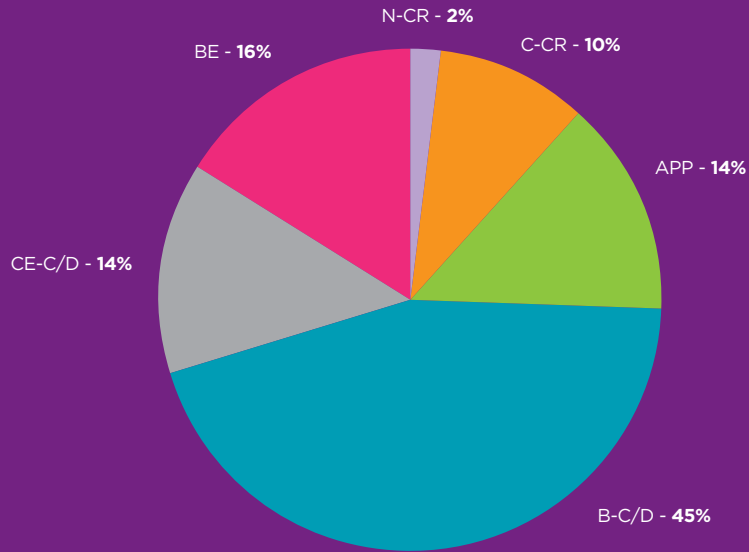
In 2016-17 \$1.8M was dispersed
to students though awards,
bursaries and scholarships.



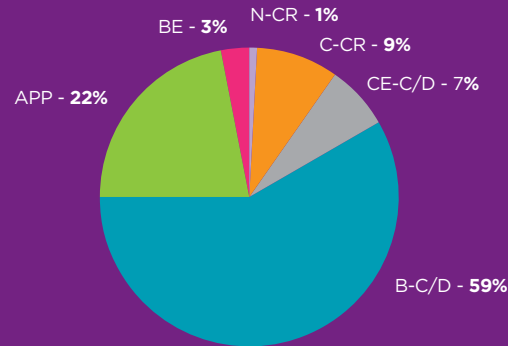
ENROLMENT BY FLE 2016-17

- Base Certificate/Diploma/Degree (B-C/D)
- Apprenticeship (APP)
- Basic Education (BE)
- Non-credit Course Registrations (N-CR)
- Credit Course Registrations (C-CR)
- Continuing Education Certificate/Diploma (CE-C/D)

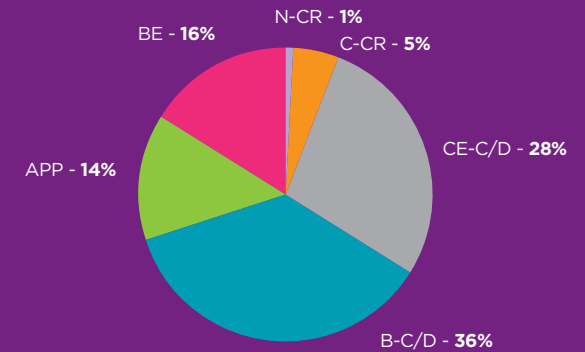
SASKATCHEWAN POLYTECHNIC



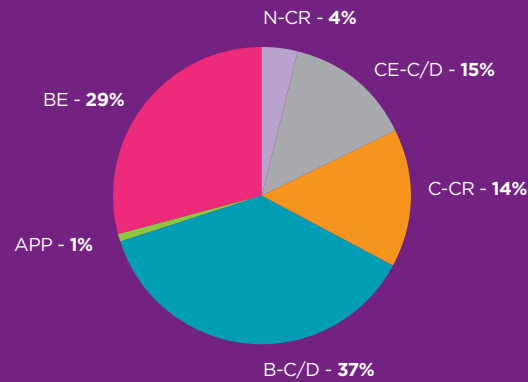
MOOSE JAW CAMPUS



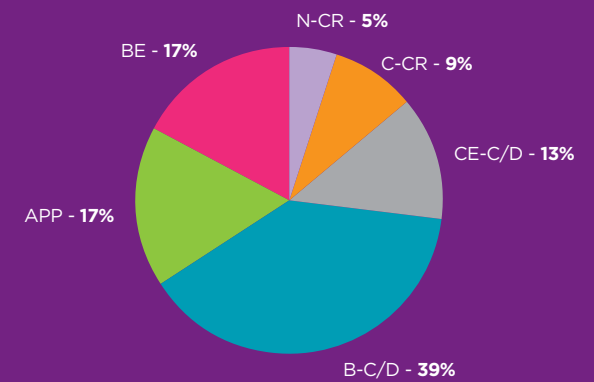
PRINCE ALBERT CAMPUS



REGINA CAMPUS



SASKATOON CAMPUS



EQUITY ENROLMENT PARTICIPATION

Designated Group of Students	All Programs		Certificate-Diploma-Degree	
	#	%	#	%
Indigenous enrolment	3,669	19	1,839	19
Disabled enrolment	898	5	501	5
Visibility minorities enrolment	1,154	6	665	7
Female enrolment	8,970	47	6,339	65

Equity status is self-declared

FACULTY AND STAFF

WORKFORCE STATISTICS - FULL-TIME EQUIVALENT (FTE) TOTALS

	Academic		Professional Services		Out-of-Scope		Totals	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Saskatoon	452	463	169	156	29	26	650	645
Moose Jaw	170	181	88	95	14	11	272	287
Regina	296	296	132	135	24	17	452	448
Prince Albert	129	138	61	60	13	12	203	210
Admin. Offices	1	1	62	65	55	56	118	122
Totals	1,048	1,079	512	511	135	122	1,695	1,712



FULL-TIME EQUIVALENCY

This report includes:

- Full-time employees
- Part-time employees in a part-time position

Not included in this report are part-time status employees who only work casual assignments or ESC assignments, casual status employees, extension contracts or anyone on leave.

In April 2017, Saskatchewan Polytechnic was named one of Saskatchewan's Top Employers by Mediacorp Canada. Saskatchewan Polytechnic strives to be an employer of choice and an institution that attracts and retains the best people.



MANAGEMENT DISCUSSION AND ANALYSIS

Saskatchewan Polytechnic is committed to maximizing student success and providing skilled graduates who meet employer needs. Students and employers continued to be top priorities as the institution delivered accessible, responsive and sustainable programming and services. Saskatchewan Polytechnic worked closely with stakeholders to make progress towards achieving its vision and aligning with the Government of Saskatchewan's long-term strategic direction.

Saskatchewan Polytechnic has adopted a strategic planning system that combines forward-looking, long-term strategic planning, annual multi-year planning and annual reporting. This planning system is integrated into every level of the institution and uses the following tools to communicate, monitor and report progress:

- *Tomorrow in the Making: Strategic Plan 2014–2020* provides long-term direction for Saskatchewan Polytechnic.
- The *multi-year business plan* identifies priorities, initiatives and resource allocations three years out.
- The *enterprise risk management risk registry* catalogues risks and opportunities. Saskatchewan Polytechnic's risk registry identifies risks and opportunities most likely to impact its ability to achieve its strategic and operational goals. Management and our board of directors regularly review the risk registry.
- *Balanced scorecards* link and measure organizational strategies against goals and initiatives.
- The *annual report* shares accomplishments and progress on the multi-year business plan.

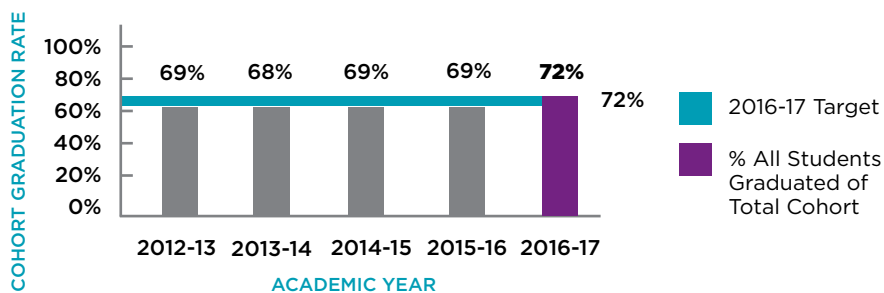
MAXIMIZE STUDENT SUCCESS

Saskatchewan Polytechnic knows its students are successful when they realize their academic and employment goals. Saskatchewan Polytechnic supports students from diverse groups to complete their training and find employment in their field of study. Saskatchewan Polytechnic is all about maximizing student success.

Saskatchewan Polytechnic helps build the province's workforce by collaborating with government, industry and other educational institutions to attract, retain and support Indigenous, international, newcomer and other diverse students. Programs and services are provided to address their unique needs and requirements.

COHORT GRADUATION:

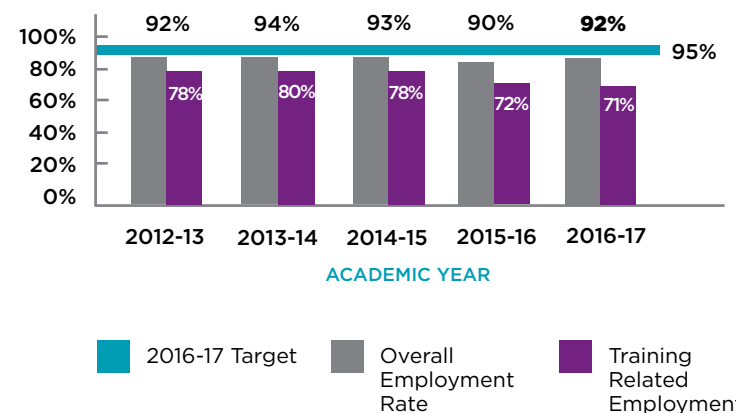
Students are ultimately successful when they complete their training and are ready to move into the labour market or carry on to more advanced studies. One of the ways Saskatchewan Polytechnic measures student success is by tracking our cohort graduation. The cohort graduation rate measures the percentage of a group of first time students at 1.5 years out from the expected time to complete their studies. Saskatchewan Polytechnic's cohort graduation rate is up three percentage points and is the highest it has been in five years.



GRADUATE EMPLOYMENT:

Saskatchewan Polytechnic measures student success by monitoring the outcomes of its graduates. Two of the key indicators Saskatchewan Polytechnic looks to are the overall graduate employment rate and the training-related employment rate.

Saskatchewan Polytechnic is committed to providing skilled graduates to meet labour market needs. This is demonstrated by the consistently high graduate employment rate. The overall graduate employment rate of the 2016-17 graduates was up two percentage points from last year and is in line with historical trends.



Source: Graduate Employment Survey (2012 to 2016) and 2017 Graduate Follow-Up Study

INDIGENOUS STUDENTS

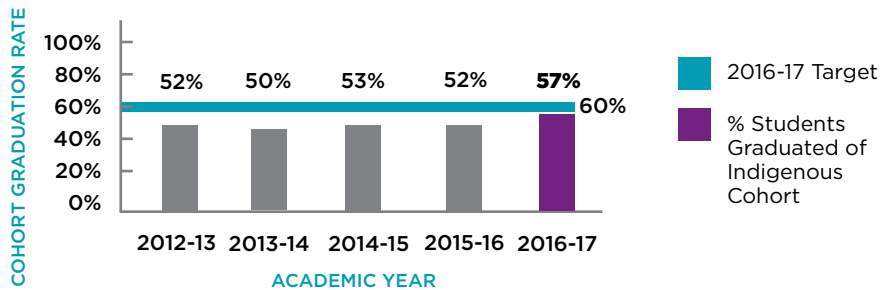
Saskatchewan Polytechnic continued to see an increase in Indigenous enrolment, with 19 per cent of the total student population identifying as Indigenous. Saskatchewan Polytechnic supports Indigenous students through a number of initiatives, including the Indigenous Student Success Strategy (formerly named the Aboriginal Student Achievement Plan).

Saskatchewan Polytechnic aims to be an inclusive place of learning that fosters success for all who study and work here. Starting in 2016, Saskatchewan Polytechnic has been actively working to remove references to “Aboriginal” in our communications, teaching tools and language and replace it with “Indigenous” — a word that was developed by First Nation, Métis and Inuit peoples for First Nation, Métis and Inuit peoples.

In spring 2017 Saskatchewan Polytechnic celebrated our Indigenous students with Honour Ceremonies at all four campus locations. Honour Ceremonies provide the opportunity to celebrate the educational achievements of our Indigenous students.

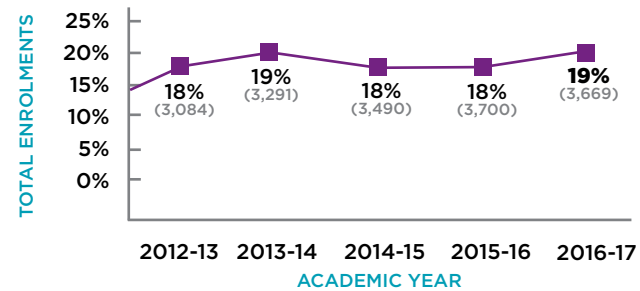
STUDENTS GRADUATED OF INDIGENOUS COHORT:

The Indigenous cohort graduation results increased by five percentage points from 2015-16, only three percentage points shy of the 60 per cent target. The gap between non-Indigenous and Indigenous graduation remains at approximately 20 percentage points.



INDIGENOUS PROGRAM ENROLMENT:

In 2016-17 Indigenous program enrolments totaled 19 per cent of the student population. This is in line with target participation rate of 18 per cent and higher than the proportion of Indigenous students of working age (15-64) in Saskatchewan’s population, which is approximately 14 per cent.



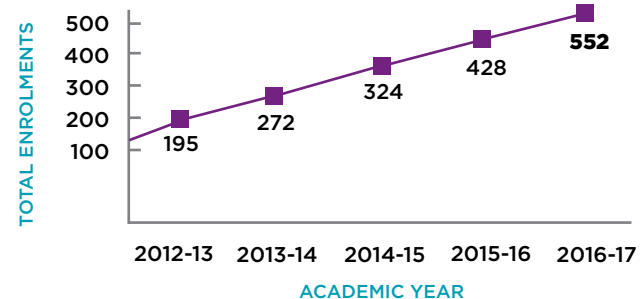
INTERNATIONAL STUDENTS

In 2016-17 Saskatchewan Polytechnic created more seats for international students. International students attending the institution also received enhanced supports, including an improved student orientation and expanded intercultural support services. Additionally, there is a renewed emphasis on learning abroad opportunities for students, with new agreements for study abroad as well as enhanced pre- and post-departure information sessions. Learning abroad opportunities enable students to see the global reach of their programs and enable students to gain valuable global experience to prepare them for success after graduation.

In March 2017 Saskatchewan Polytechnic celebrated its second annual Intercultural Week, with events across all campuses celebrating cultural diversity and deepening intercultural awareness and understanding.

INTERNATIONAL PROGRAM ENROLMENT:

In 2016-17 Saskatchewan Polytechnic saw a 29 per cent growth in international program enrolments from the previous academic year.



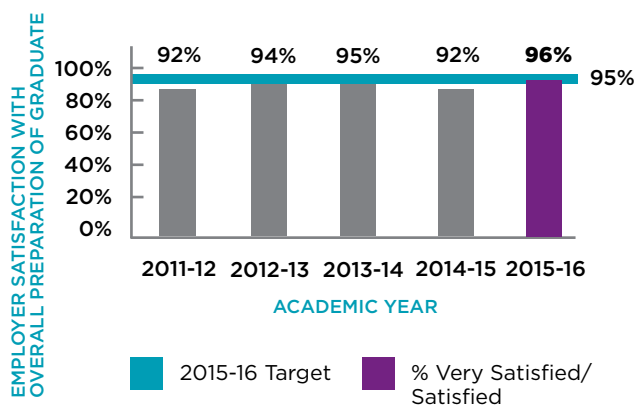
MAKING SUCCESSFUL CAREERS POSSIBLE

Saskatchewan Polytechnic is in the business of helping its clients—students and employers—be successful. By having access to flexible, lifelong learning opportunities, students and graduates can take charge of their careers and pursue continuing skills development. Saskatchewan Polytechnic anticipates and responds strategically to employers’ programming needs.

EMPLOYER SATISFACTION:

Employer satisfaction with overall preparation of graduates for employment has been consistently high, averaging above 90 per cent in recent years. The most current survey results show that 96 per cent of employers are satisfied or very satisfied with the overall preparation of the graduates they hired. This is up four percentage points from the previous year and above the 2015-16 target of 95 per cent. More than 500 employers participated in the 2016 survey (68 per cent response rate).

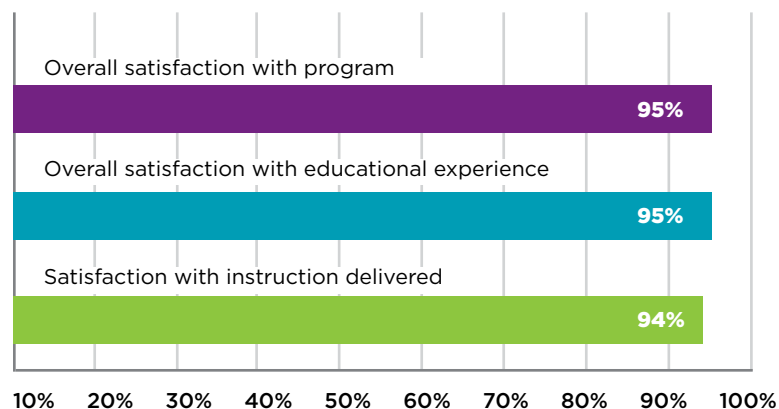
In addition to this measure, two other survey results are noteworthy: 98 per cent of employers are satisfied with graduates’ preparation for training-related employment and 97 per cent of employers say they would hire another Saskatchewan Polytechnic graduate in the future.



Source: 2015-16 Employer Survey. Sask Polytech’s Employer Survey was not conducted in the 2016-17 academic year. It is now conducted every second year.

GRADUATES SATISFACTION:

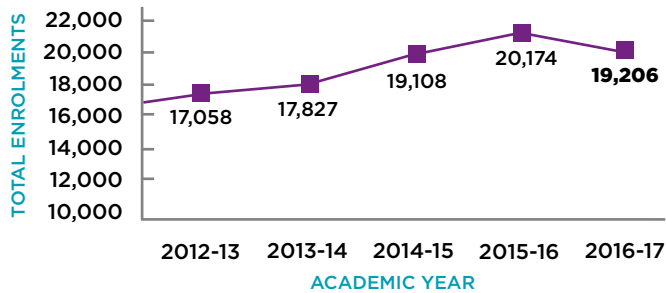
The results from the 2017 Graduate Follow-Up Study demonstrate graduates are very satisfied with their experience at Saskatchewan Polytechnic. This survey of 2015-16 graduates demonstrated that 94 per cent of graduates were satisfied with the instruction delivered, 95 per cent were satisfied with their program and 95 per cent were satisfied with their educational experience.



Source: 2017 Graduate Follow-Up Study

PROGRAM ENROLMENT:

In 2016-17 program enrolment was 19,206. While overall enrolment in programs has been steady since 2012-13, we have seen a slight decline due to change in demand for apprenticeship training.



INNOVATIVE MANUFACTURING DIPLOMA PROGRAM

Saskatchewan's manufacturing sector identified the need for multi-skilled manufacturing workers. To meet this demand, Saskatchewan Polytechnic launched the Innovative Manufacturing program in fall 2016. The cross-discipline design of the program provides students with a breadth of knowledge and skills, ranging from mechanical and CAD/CAM engineering technologies, welding and machining disciplines to project management, industrial design and quality control / quality assurance strategies. During the two-year program, students will practice skills and complete projects using industry-standard tools and equipment. The first student intake is September 2017.

MEDICAL LABORATORY TECHNOLOGY EXPANSION

The Medical Laboratory Technology program successfully increased its seat capacity from 20 to 32 in September 2016 to meet the needs of employers. To accommodate the additional students, timetables were adjusted, an audio/visual system was acquired to promote interactive lectures, and the complement of faculty was increased by five positions. The Medical Laboratory Technology program is coordinating the planning for the delivery of the clinical rotations starting in January 2018, in collaboration with the Saskatoon and the Regina Qu'Appelle Health Regions. An internal Medical Laboratory Technology Expansion Committee was established to oversee the implementation of the expansion and prepare for the delivery of the clinical component of the program. The committee collaborated with the Saskatoon and the Regina Qu'Appelle Health Regions to determine the major equipment and alternate learning space requirements for the preceptorships.

ACADEMIC MODEL

Approved by Senior Management Council in September 2016, the Academic Model has made progress towards ensuring students have the best opportunities to meet their career and educational goals. The model includes 29 components that will be implemented through a series of projects over multiple years. This year, three projects brought about some significant changes including changing the common course passing grade to 50 per cent (from 60 per cent), establishing program structure standards and designing a new credential framework.

This fiscal year, 25 existing programs and 4 new programs aligned to the Academic Model. This exceeded projections, and Saskatchewan Polytechnic is on track for all programs to align to the new model within five years.

ACADEMIC RESTRUCTURING

In continuation of the implementation of newly created Academic Chair positions in 2015-16, three new Academic Chairs were added to the School of Mining, Energy and Manufacturing and the School of Natural Resources and Built Environment in 2016-17. Implementation of the remainder of the Academic Chairs is planned for the 2017-18 academic year.

LEARNING ECOSYSTEM

Saskatchewan Polytechnic has been working towards a digital learning ecosystem for many years. The institution has been preparing for the launch of Brightspace for Classrooms for September 2017. This will provide instructors with access to Brightspace for online coursework and additional resources to create a blended course environment.

In the spring of 2017, a new internal portal for faculty, staff and students was launched. Learning Technologies supported this project to ensure information flows to and from Banner (the student database) to the new portal to provide relevant and updated information for faculty and students using Brightspace.

APPLIED RESEARCH AND INNOVATION

Saskatchewan Polytechnic engages in applied research to enhance how the institution meets the needs of students, employers and communities and to support sustainable economic and social development in the province. In 2016-17, Saskatchewan Polytechnic faculty and students contributed to the development of tangible solutions to real-world problems for both private and public sector employers.

Research InfoSource Inc., a Canadian firm that specializes in policy, research, business intelligence and analysis on science, technology and innovation, ranked Saskatchewan Polytechnic at #1 for largest percentage of research revenue from industry and #10 for growth in research revenue.

INDUSTRY RESEARCH INTENSITY:

(Industry research income as a per cent of total research income)

1	Saskatchewan Polytechnic	32.5%
2	NAIT	26.7%
3	SAIT	24.3%

Source: Research InfoSource Inc. Canada's Top 50 Research Colleges, November 2016

TOP 10 RESEARCH COLLEGES BY GROWTH:

Rank	Research college	% of change 2014-15
1	Fanshawe College	200.8
2	St. Lawrence College	99.3
3	Dawson College	81.5
4	Cégep de Sept-Îles	69.4
5	Algonquin College	51.1
6	Olds College	50.1
7	Holland College	45.4
8	Camosun College	44.2
9	Cégep de Rimouski	42.5
10	Saskatchewan Polytechnic	42.3

Source: Research InfoSource Inc. Canada's Top 50 Research Colleges, November 2016

STRATEGIC ENROLMENT MANAGEMENT

Strategic Enrolment Management has focused on five priorities under the broad themes of improving communication to applicants and new students, as well as maximizing enrolment. Based on application and registration data, we are managing our admissions to ensure we are maximizing student enrolment. Program orientation guidelines have been created to help prepare students for their studies. An emphasis on better enrolment data reporting ensures that the best data-driven enrolment decisions are being made. Better website enrolment information for new students will lead to easier transition for students and set them up for success in their programs.

BE AN EMPLOYER OF CHOICE

Saskatchewan Polytechnic is a great place to work. The institution provides a vibrant, healthy and safe workplace where employees thrive. Saskatchewan Polytechnic attracts the best and the brightest and, once they become a part of our community, they stay.

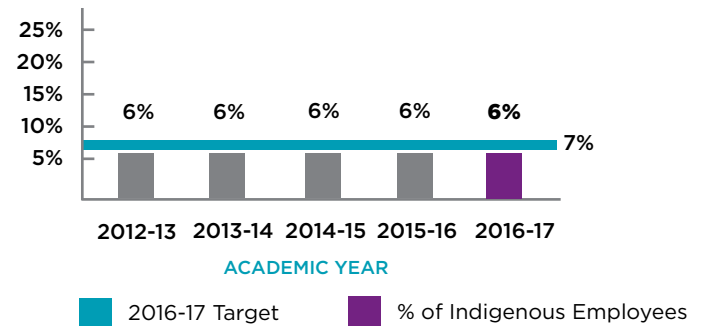
EMPLOYEE ENGAGEMENT

Employee Engagement: The 2016 employee engagement survey showed an upward trend. Saskatchewan Polytechnic had a seven per cent increase in its participation rate, totaling 65 per cent. Saskatchewan Polytechnic is in the 25th quartile for overall engagement at 71 per cent for post-secondary institutions. The survey identified three priorities to focus on: professional growth, senior management and organizational vision. Various corporate, divisional and school working groups are collectively creating action plans to address these focus areas.

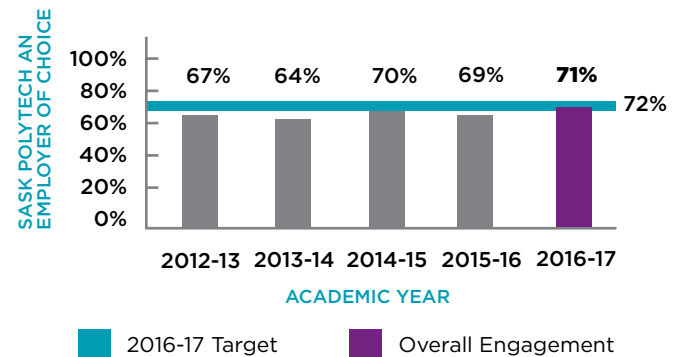
Leadership Fundamentals Program: In 2016, Saskatchewan Polytechnic launched the Leadership Fundamentals program to build excellence in leadership practice and bring the institution closer to our vision of being the first-choice polytechnic in Canada. The first cohort included 23 academic chairs and managers. The program allowed participants to build the knowledge and skills needed to enhance their leadership and management competencies through workshops, coaching, mentoring and applied learning.

Indigenous Awareness Workshops: Ten workshops were held to increase employees' understanding of Indigenous people, their culture and their unique place in history. The training provided participants a general history of Indigenous peoples in Saskatchewan and Canada and a discussion regarding Indigenous belief systems. Further, in order to help foster a culture of understanding and acceptance, it also provided an opportunity to discuss and explore the impacts of residential schools on generations of Indigenous peoples.

PERCENTAGE OF INDIGENOUS EMPLOYEES:



EMPLOYER OF CHOICE:



MAXIMIZE RESOURCE MANAGEMENT

Saskatchewan Polytechnic's financial, physical and human resources are used in the most efficient and effective ways possible. Programs and services are continually reviewed to make sure Saskatchewan Polytechnic is providing value, meeting its mandate and achieving its strategic goals.

Saskatchewan Polytechnic delivers programs and services effectively and sustainably. It attracts and retains the best employees and communicates effectively throughout the institution. Saskatchewan Polytechnic is accountable and practices good governance. Everyone at Saskatchewan Polytechnic understands and is committed to their leadership roles and responsibilities.

CONTINUING EDUCATION RENEWAL

The Continuing Education (CE) Renewal began in 2016 with a goal of strengthening Saskatchewan Polytechnic's ability to deliver quality programming to students through non-traditional means such as distance education, part-time studies, corporate training and summer camps.

CE Renewal had five goals:

1. More effective use of existing resources.
2. Improved decision-making capabilities.
3. Improved ability to demonstrate value to stakeholders.
4. Improved consistency and quality of service.
5. Improved sustainability and ability to plan for growth.

Extension, a new unit that amalgamated all CE faculty and staff who deal with credit courses, was created as a result of the CE Renewal project. Faculty and staff of non-credit offerings joined Business Development. Elevate, a new online registration system, was implemented to allow easier access to CE courses and a financial reporting structure was created to better capture data for more informed decisions. CE Renewal was completed in May 2017.

STRATEGIC PROCUREMENT

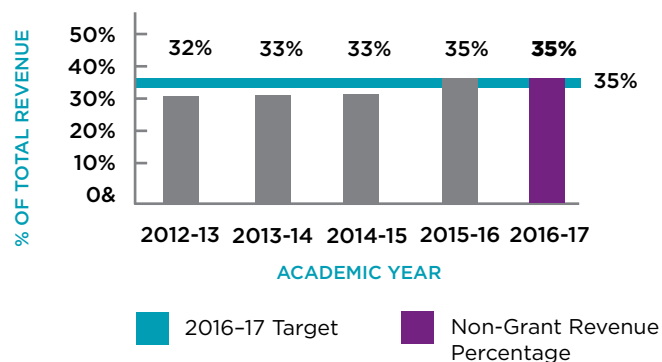
Financial Services conducted a strategic review and assessment of procurement services in 2016. The purpose of the procurement assessment was to conduct a detailed analysis to review all major functions and identify recommendations towards more strategic, proactive decisions. Recommendations included a redesign of the procurement structure, establishment of a defined client engagement model, creation of standardized processes and establishment of communication protocols. Expected benefits include process efficiencies, increased customer satisfaction and direct dollar savings. Implementation began in the 2016-17 fiscal year and is anticipated to continue into 2017-18.

ENHANCE AND DIVERSIFY FUNDING SOURCES

Saskatchewan Polytechnic recognizes the importance of expanding and diversifying its revenue sources. To achieve this goal, the institution is capitalizing and developing new revenue approaches. Modifications to tuition deposit practices and the transfer of select programs from core-funded to revenue-generating are expected to bring increased tuition revenue. Processes and procedures within continuing education have been reviewed and improvements are being implemented. The bookstores have expanded their business lines and added two new outlets, the outcome of which has contributed to an overall increase in revenue. In addition, the development of a revenue-generation plan is expected to commence in 2017-18.

The Non-grant revenue percentage of total revenue has been modestly increasing annually since 2012-13.

NON-GRANT REVENUE AS A PERCENTAGE OF TOTAL REVENUE



FINANCIAL PERFORMANCE (dollars in thousands)

In fiscal 2017 Saskatchewan Polytechnic recorded an operating deficit of \$9,742 as presented on the Statement of Operations. Saskatchewan Polytechnic had budgeted for an operating deficit of \$6,539 for the year, resulting in a negative operating variance of \$3,203.

This negative variance was largely driven by the current downturn in the overall provincial economy and the related drop in provincial government revenue. As part of provincial cost-savings measures, the provincial grant that accounts for the majority of Saskatchewan Polytechnic's revenue, was reduced mid-year. In addition, Saskatchewan Polytechnic, like Saskatchewan's other post-secondary institutions, received a 5 per cent reduction to its operating grant in the provincial government's 2017-18 budget. This reduction took effect April 1, 2017, impacting both Saskatchewan Polytechnic's fiscal 2017 and 2018 years significantly. In fiscal 2017, the impact of the mid-year and spring grant reductions was \$3.5 million less revenue than had been anticipated when the 2017 budget was prepared.

Discussions regarding the anticipated grant reductions began early in the year between Saskatchewan Polytechnic and the Ministry of Advanced Education. As a result, Saskatchewan Polytechnic was able to take action to minimize the impact of these reductions on students and staff. One of the more significant initiatives undertaken was the introduction of a voluntary separation plan for academic staff. This plan allowed for voluntary staff reductions, greatly reducing the number of layoffs that would otherwise have been required. Separation payments to staff related to this initiative totaled \$2.2 million.

In response to the mid-year funding reduction, Saskatchewan Polytechnic implemented a number of cost-savings measures largely focused on identifying existing vacancies that could be eliminated or held vacant throughout 2016-17. Additional hiring and travel restrictions were initiated by the provincial government during the year. The combination of these measures helped to offset much of the financial impact of the grant reductions in the year.

Other, more routine, operational variances also had an impact on the year-end results. The most significant of these were:

- Continuing Education activity was below targeted levels, causing revenue to fall short of projections; and
- Strong demand for core training drove tuition surpluses in a majority of schools. This was further supplemented by an increase in international student enrolments.

At the end of the 2015-16 fiscal year, there were a number of budgeted initiatives in progress. The carry-over and completion of these initiatives resulted in \$1.2 million of unspent operating budget in 2015-16, and an equivalent and offsetting negative variance in the 2016-17 year. It is anticipated there will be similar carry-over of projects in process at June 30 into the 2017-18 fiscal year.

Saskatchewan Polytechnic budgeted a capital surplus of \$4,569. The budgeted capital surplus was the net result of budgeted amortization of \$10,400 less planned capital expenditures of \$5,831. The actual capital surplus was \$2,975, resulting in a negative variance of \$1,594. A portion of the negative capital variance was funded through the positive operating variance due to donated assets and donations targeted for capital purchases. A portion was also attributable to capital projects budgeted in 2015-2016 but incomplete at year-end, which carried into the 2016-17 year. The capital surplus represents a reduction in the value of Saskatchewan Polytechnic's investment in tangible capital assets, as detailed in Note 12b.

Saskatchewan Polytechnic's unrestricted operating surplus (UOS) balance represents funds where Saskatchewan Polytechnic has discretion in determining their future use. It is the accumulation of prior years' operating and capital surpluses and deficits, adjusted for funds that have outside restrictions on their use. During the year, Saskatchewan Polytechnic's UOS was drawn down from an opening balance of \$8,121 to a balance of \$1,253 at June 30, 2017. This is \$4,898 lower than budgeted, resulting from the factors discussed above, but compares closely with the \$1,508 balance anticipated in the Multi-year Business Plan approved by the board of directors in April 2017. Note 12 provides further detail on the unrestricted operating surplus calculation.

A balanced budget has been projected for 2017-18, although a slight draw is anticipated due to the impact of 2016-17 purchases and initiatives in process across year end.

HIGHLIGHTS: ACTUAL 2017 COMPARED TO 2016 (dollars in thousands)

The operating deficit for 2017 was \$9,742, compared to a deficit of \$2,217 for 2016. A discussion of the variances by main revenue category and expenses by function follows:

- Grant and contractual services revenues decreased by \$4,472 or 2.3 per cent from 2016. While all funding sources in this category decreased from 2016, revenue from the Government of Saskatchewan accounts for the majority of the decrease. While the initial 2017 funding remained primarily status quo, mid-year reductions to the operating grant and Preventative Maintenance and Renewal funding resulted in decreased grant revenue compared to 2016. Additionally, effective April 1, 2017, there was a 5 per cent reduction to the base operating grant, and reductions to the Adult Basic Education funding. Although this will primarily impact 2018, one quarter (3/12) of the reduction impacts 2017 for the April – June time period.
- Tuition and fees increased by \$2,377 or 6.7 per cent. An approved core tuition increase of 3.96 per cent contributed to this increase, as well as an increase in international enrolments.
- Academic program expenses increased by \$2,599 or 1.7 per cent with Collective Bargaining Agreement (CBA) increases for faculty being the primary contributor to the increase. Increased severances, including voluntary separation payments, were also required to achieve the necessary salary reductions for fiscal 2018. The overall salary increase was lessened by public sector hiring restrictions, as well as positions that were held vacant in order to address the mid-year funding reduction. Partially offsetting the net increase in salaries were budgeted decreases in non-salary expenditures, as well as further in-year reductions.
- Administration expenses increased by \$3,211 or 10.9 per cent. In 2016 the Administration grouping included unbudgeted organization-wide salary savings related to the disbursement of a Workers' Compensation Board (WCB) surplus, as well as a reduction in the accrued liability related to the now finalized non-permanent employee pension lawsuit liability. 2017 instead included a final upward adjustment on the pension lawsuit liability settlement. Also contributing were increased salaries as a result of budgeted staffing increases, particularly in Information Technology Services. Additionally, legal fees increased with the revision of the Students' Association Master Agreement contributing significantly.
- Expenses in Student Services increased by \$930 or 5.8 per cent, primarily in salaries. Severance payments, as a result of voluntary separation, required to achieve the necessary salary reductions for fiscal 2018 are the primary factor in the increase, although CBA increases are also contributing.
- Strategy and Business Development decreased by \$760 or 7.5 per cent primarily due to reduced international projects, as well as vacancies.

HIGHLIGHTS: ACTUAL 2017 COMPARED TO PLAN 2017 (dollars in thousands)

The operating deficit of \$9,742 in 2017 compares to a planned operating deficit of \$6,539. The main factors contributing to this negative variance were previously reviewed under Financial Performance. A discussion of the variances by main revenue category and expenses by function follows:

- Grant and contractual services revenues were less than budget by \$7,069 or 3.5 per cent. This is broken down as follows:
 - The majority of the decrease is a result of reduced revenue from the Government of Saskatchewan. The mid-year funding reduction, as well as the funding decrease effective April 1, 2017 are the primary contributors.
 - Government of Canada revenue was less than anticipated, primarily due to receiving fewer contracts for international projects through the federal government than planned.
 - Non-government revenues were less than expected, primarily due to continuing education activity not meeting targets. As well, a portion of the budgeted revenue was actually earned as tuition revenue.
- Tuition and fees exceeded the budget by \$2,415 or 6.8 per cent, primarily due to core tuition being greater than projected in the majority of schools. International enrolment exceeding expectations is contributing significantly to these positive variances. A portion of the positive variance was also due to continuing education activity budgeted as contractual services actually occurring as fees revenue. Partially offsetting the positive variance was a shortfall in testing revenue.
- Donation revenue was greater than budget by \$709 or 75.4 per cent. The majority of this positive variance was due to the donation of capital assets, as well as funds targeted for capital purchases, with an offsetting negative impact on the capital variance from budget.
- Strategy and Business Development expenditures were less than budget by \$1,582 or 14.4 per cent, primarily due to international project activity not reaching budgeted levels. There were additional savings due to vacancies and services such as advertising.
- Ancillary expenses were over budget by \$896 or 10.2 per cent, primarily as a result of increased cost of goods sold due to ancillary sales exceeding budget.

HIGHLIGHTS: PLAN 2018 (dollars in thousands)

Saskatchewan Polytechnic is presenting a balanced budget for 2018, consisting of an operating deficit of \$4,500 and a \$4,500 capital surplus. This compares to an overall budgeted deficit of \$1,970 in 2017.

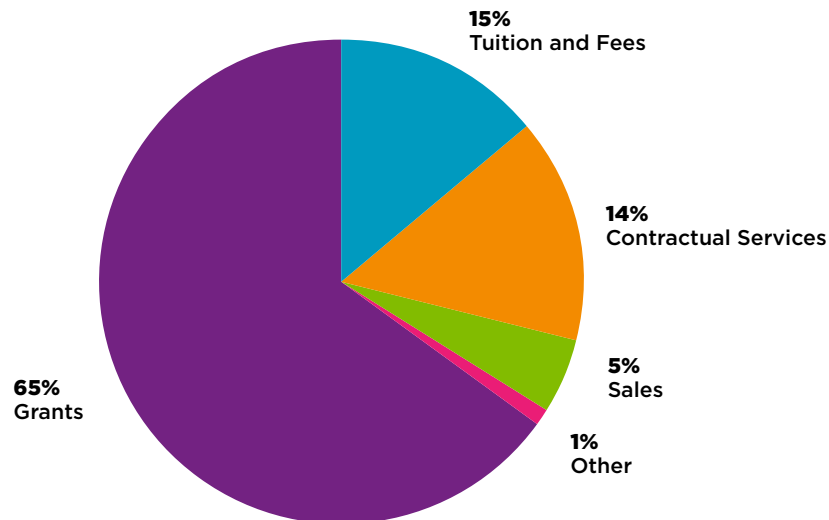
The most significant areas of anticipated change from the 2017 budget to 2018 are:

- Grant revenue and contractual services are budgeted to decrease by \$8,895 or 4.5 per cent. Grant revenue is expected to decrease by \$7,785, primarily due to a 5 per cent reduction to the operating grant. Contractual services revenue is expected to decrease by \$1,110, mainly due to a projected reduction in apprenticeship activity which is partially offset by a projected increase in international projects.
- Tuition and fees are anticipated to increase by \$5,182 or 14.67 per cent, primarily due to increased enrolment projections from international students across most schools. The approved tuition increase of 3.95 per cent also contributes to the projected increase.
- Academic programs expense is expected to decrease by \$5,357 or 3.5 per cent. The decrease is primarily due to a significant reduction in positions (both vacant and filled) which was required to mitigate the 5 per cent decrease in the operating grant.

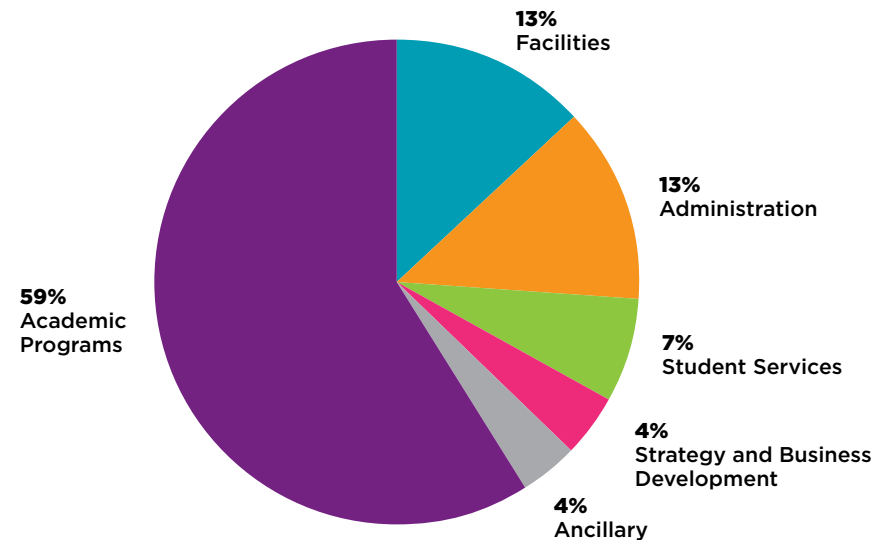
CAPITAL SPENDING SUMMARY (dollars in thousands)

In 2017 Saskatchewan Polytechnic acquired capital assets totalling \$7,840 funded via operating funds designated for capital replacement and via provincial and federal capital funding, as well as from private donations. This is compared to a budget of \$5,831 for capital expenditures. There was unspent capital budget from 2016 that was approved for carry forward to 2017. Additionally, some specific operating surpluses, primarily related to donations, were designated for capital purchases. The majority of the capital expenditures were made to replace equipment and technology.

2017 OPERATING REVENUE:



2017 OPERATING EXPENSES:



KEY FINANCIAL RESULTS AND DATA

(dollars in thousands)

	2016 Actual	2017 Plan	2017 Actual	2018 Plan ¹
OPERATIONS				
Annual deficit	\$ (2,217)	\$ (6,539)	\$ (9,742)	\$ (4,500)
Revenue:				
Grants and contractual services	197,485	200,082	193,013	191,187
Tuition and fees	35,359	35,321	37,736	40,503
Sales	11,609	11,315	11,835	11,620
Other revenue	2,548	2,074	2,563	2,873
Expenses:				
Academic programs	149,436	151,679	152,035	146,322
Facilities	35,003	33,919	34,393	34,682
Administration	29,332	33,041	32,543	31,656
Student services	15,933	16,951	16,863	17,032
Strategy and Business Development	10,152	10,974	9,392	12,115
Ancillary	9,362	8,767	9,663	8,876
FINANCIAL POSITION				
Unrestricted operating surplus	\$ 8,121	\$ 6,151	\$ 1,253	\$ 753
Financial assets	34,093	27,112	32,505	21,814
Liabilities	28,567	23,577	33,636	23,471
Net financial assets	5,526	3,535	(1,131)	1,657
Tangible capital assets	69,428	64,757	66,349	62,246
Accumulated surplus	75,818	69,279	66,076	61,576

¹ Based on the 2017-2020 Multi-year Business Plan, adjusted for 2017 year end results.

MANAGEMENT REPORT

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise because they include certain amounts based on estimates and judgments. Management has ensured the financial statements are presented fairly in all material respects. The financial information presented elsewhere in the annual report is consistent with that in the financial statements.

Management has ensured the organization is in compliance with the provisions of legislation and related authorities.

Management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that assets are appropriately accounted for and adequately safeguarded.

The board of directors of Saskatchewan Polytechnic is responsible for reviewing and approving the financial statements and, primarily through its audit committee, ensures management fulfills its responsibilities for financial reporting.

The audit committee is appointed by the board and is composed of directors who are not employees of Saskatchewan Polytechnic. The audit committee meets periodically with management and with external auditors to discuss internal controls, auditing matters and financial and reporting issues to satisfy itself that each party is properly discharging its responsibilities. The audit committee reviews the financial statements and the external auditors' report and also considers, for approval by the board, the engagement or reappointment of the external auditors. The audit committee reports its findings to the board for its consideration when approving the financial statements for issuance.

The financial statements have been audited by KPMG LLP and the Provincial Auditor of Saskatchewan in accordance with Canadian generally accepted auditing standards. KPMG LLP and the Provincial Auditor of Saskatchewan have full and free access to the audit committee.

Dr. Larry Rosia
President & CEO

Deborah Meyers
CFO & Vice President,
Administrative Services

Cheryl Schmitz
Associate Vice President,
Financial Services

September 29, 2017



INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Assembly and the Board of Directors of Saskatchewan Polytechnic:

We have audited the accompanying financial statements of Saskatchewan Polytechnic, which comprise the statement of financial position as at June 30, 2017, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Polytechnic as at June 30, 2017, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP
Chartered Professional Accountants
Saskatoon, Canada
September 29, 2017

Judy Ferguson, FCPA, FCA
Provincial Auditor
Regina, Saskatchewan
September 29, 2017

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at June 30, 2017 (in thousands of dollars)

	NOTE	2017	2016
Financial assets			
Cash and cash equivalents	3	\$ 18,300	\$ 21,182
Accounts receivable	4	6,773	6,078
Inventories for resale	5	3,619	3,858
Portfolio investments	6	3,813	2,975
		32,505	34,093
Liabilities			
Accounts payable and accrued liabilities		4,553	3,312
Salaries and benefits payable		13,544	10,374
Employee future benefits	7	2,913	3,002
Debt	9	1,073	1,177
Deferred revenue	10	11,553	10,702
		33,636	28,567
Net financial assets		(1,131)	5,526
Non-financial assets			
Tangible capital assets	11	66,349	69,428
Prepaid expenses		858	864
		67,207	70,292
Accumulated surplus	12	\$ 66,076	\$ 75,818
Contractual obligations and contingencies	13		

Approved on behalf of the board of directors:

Ralph Boychuk,
Chair

Garry Benning,
Audit Committee Chair

STATEMENT OF OPERATIONS

For the year ended June 30, 2017 (in thousands of dollars)

	BUDGET	2017	2016
	(Note 16)		
Revenue			
Grants and contractual services:			
Government of Saskatchewan	\$ 187,811	\$ 183,512	\$ 187,332
Government of Canada	8,784	7,502	7,862
Other governments	102	348	576
Non-government	3,385	1,651	1,715
Tuition and fees	35,321	37,736	35,359
Sales	11,315	11,835	11,609
Donations	940	1,649	1,754
Investment income	599	400	313
Other income	535	514	481
	248,792	245,147	247,001
Expense (Note 14)			
Academic programs	151,679	152,035	149,436
Facilities	33,919	34,393	35,003
Administration	33,041	32,543	29,332
Student services	16,951	16,863	15,933
Strategy and business development	10,974	9,392	10,152
Ancillary	8,767	9,663	9,362
	255,331	254,889	249,218
Annual deficit	(6,539)	(9,742)	(2,217)
Accumulated surplus, beginning of year	75,818	75,818	78,035
Accumulated surplus, end of year	\$ 69,279	\$ 66,076	\$ 75,818

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended June 30, 2017 (in thousands of dollars)

	BUDGET	2017	2016
Net financial assets, beginning of year	\$ 5,526	\$ 5,526	\$ 3,027
Changes during the year:			
Annual deficit	(6,539)	(9,742)	(2,217)
Acquisition of tangible capital assets	(5,728)	(7,551)	(7,073)
Tangible capital asset donations received	-	(289)	(103)
Proceeds on disposal of tangible capital assets	-	86	64
Loss (gain) on disposal of tangible capital assets	-	50	(38)
Amortization of tangible capital assets	10,400	10,783	11,158
Utilization of prepaid expenses, net	-	6	708
	(1,867)	(6,657)	2,499
Net financial assets, end of year	\$ 3,659	\$ (1,131)	\$ 5,526

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017 (in thousands of dollars)

	NOTE	2017	2016
Operating transactions			
Annual deficit		\$ (9,742)	\$ (2,217)
Items not affecting cash:			
Amortization of tangible capital assets		10,783	11,158
Tangible capital asset donations received		(289)	(103)
Loss (gain) on disposal of tangible capital assets		50	(38)
Unrealized (gain) loss on portfolio investments		(178)	42
Decrease in employee future benefits liability	7	(89)	(112)
Net increase in non-cash operating balances	15	4,812	260
		5,347	8,990
Capital transactions			
Acquisition of tangible capital assets		(7,551)	(7,073)
Proceeds on disposal of tangible capital assets		86	64
		(7,465)	(7,009)
Investing transactions			
Proceeds on disposition of portfolio investments		602	344
Acquisition of portfolio investments		(1,262)	(309)
		(660)	35
Financing transactions			
Debt repayments		(104)	(104)
		(104)	(104)
Net (decrease) increase in cash and cash equivalents		(2,882)	1,912
Cash and cash equivalents, beginning of year		21,182	19,270
Cash and cash equivalents, end of year		\$ 18,300	\$ 21,182

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2017
(in thousands of dollars)

1. AUTHORITY AND PURPOSE

Saskatchewan Polytechnic (“the Polytechnic”) was established as a public educational corporation by the Legislative Assembly of Saskatchewan under *The Institute Act* and is continued under *The Saskatchewan Polytechnic Act*. The Polytechnic is Saskatchewan’s primary provider of post-secondary technical education and skills training and operates campuses in Moose Jaw, Prince Albert, Regina and Saskatoon.

The Polytechnic is a registered charity and is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”).

b. Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers (grants and contracts) are recognized as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Tuition and student fees and sales of inventory are reported as revenue at the time the services are provided or the products are delivered. Funds received in advance of the fees being earned or the service performed are deferred and recognized when the fee is earned or service performed.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specified purpose.

Unrestricted contributions and pledges are recognized as revenue when received. Gifts-in-kind are recorded at the fair market value on the date of their donation if they meet the Polytechnic’s criteria for capitalization. Other in-kind donations of materials and services are not recognized in these financial statements if a reasonable estimate cannot be made.

Investment income includes interest recorded on an accrual basis, declared dividends and realized gains and losses on portfolio investments. Unrealized gains and losses on portfolio investments not funded from restricted contributions are recognized in the statement of remeasurement gains and losses until the related investments are sold¹. Once realized, these gains or losses are recognized as revenue in the statement of operations. Investment income on externally restricted investment assets is deferred and recognized in the statement of operations when the related stipulations are met.

c. Financial instruments

Financial instruments of the Polytechnic consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, salaries and benefits payable and debt. All financial instruments are measured at cost or amortized cost except portfolio investments.

Portfolio investments include equities and equity mutual funds quoted in an active market, which are required to be measured at fair value. The Polytechnic has elected to measure the bond component of the portfolio investments at fair value to correspond with how it is evaluated and managed.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses, except for those related to restricted assets, which are recorded as deferred revenue until used for the purpose stipulated by the contributor¹. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Sales and purchases of investments are recorded on the trade date. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

d. Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

e. Inventories for resale

Inventories consist of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Cost for inventories is calculated using the weighted average cost method. Administrative and program supplies and library periodicals are not inventoried.

f. Employee future benefits

The employee future benefits liability represents the value of the accumulating non-vesting sick leave benefits provided to employees of the Polytechnic. A liability and expense is recognized in the period employees render services to the Polytechnic in return for the benefits. The value of the liability and expense of the sick leave benefits are actuarially determined using management’s best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

Actuarial valuations are performed every three years by an independent actuary. Amounts are extrapolated in fiscal years in which a full actuarial valuation has not been performed.

The Polytechnic’s contributions to employee pension plans are expensed in the period in which employees’ services have been rendered.

¹During the periods presented, there were no unrestricted investment assets measured at fair value and therefore no unrealized gains or losses on unrestricted investment assets. Accordingly, no statement of remeasurement gains and losses has been presented.

g. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, installation, design, construction, improvement or betterment of the assets.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs. The discount rate used to determine the present value of the lease payments is the lower of the Polytechnic's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Leasehold improvements:	
Properties owned by the Government of Saskatchewan	15 years
Other properties	Lease term
Furniture and equipment	5 to 10 years
Computers and software	3 to 5 years
Library	5 years

Donated capital assets are recorded at their fair market value upon receipt except in situations where fair value cannot be reasonably determined.

Works of art which have cultural, aesthetic or historical value are not included in tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Information on works of art held by the Polytechnic is disclosed in Note 11.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Polytechnic's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as an expense in the statement of operations.

h. Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring such estimates relate to the determination of useful lives of tangible capital assets for amortization, the assumptions underlying

the calculation of employee future benefits, provisions for contingencies and the recognition of the liability associated with the non-permanent employee pension settlement. Actual results may ultimately differ from these estimates.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

i. New accounting standards not yet in effect

A number of new Canadian public sector accounting standards and amendments to standards have been issued but are not yet in effect for the Polytechnic and have not been applied in preparing these financial statements. The following standards will become effective as follows:

- i. PS 2200 *Related Party Disclosures* (effective for fiscal years beginning on or after April 1, 2017), a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions.
- ii. PS 3210 *Assets* (effective for fiscal years beginning on or after April 1, 2017), a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets.
- iii. PS 3320 *Contingent Assets* (effective for fiscal years beginning on or after April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contingent assets.
- iv. PS 3380 *Contractual Rights* (effective for fiscal years beginning on or after April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contractual rights.
- v. PS 3420 *Inter-Entity Transactions* (effective for fiscal years beginning on or after April 1, 2017), a new standard establishing guidance on accounting for and reporting on transactions between organizations in the Government reporting entity.
- vi. PS 3430 *Restructuring Transactions* (effective for fiscal years beginning on or after April 1, 2018), a new standard defining restructuring transactions and establishing guidance on recognition and measurement of assets and liabilities transferred in a restructuring transaction.

The Polytechnic plans to adopt PS 2200, 3210, 3320, 3380, and 3420 in its fiscal year beginning July 1, 2017 and PS 3430 in the year beginning July 1, 2018 and is currently analyzing the impact this will have on its financial statements.

3. CASH AND CASH EQUIVALENTS

	2017	2016
Cash	\$ 18,158	\$ 21,077
Cash equivalents	142	105
	\$ 18,300	\$ 21,182

4. ACCOUNTS RECEIVABLE

	2017	2016
Corporate	\$ 743	\$ 644
Federal government	4,593	3,321
Provincial government	1,022	1,951
Student	367	129
Other	150	126
Less provision for doubtful accounts	(102)	(93)
	\$ 6,773	\$ 6,078

5. INVENTORIES FOR RESALE

	2017	2016
Bookstores	\$ 3,450	\$ 3,724
Food services	73	56
Shop and service supplies	96	78
	\$ 3,619	\$ 3,858

The cost of inventory sold and recognized as an expense during 2017 was \$6,928 (2016 - \$6,642) and includes inventory write-downs of \$63 (2016 - \$49). There were no reversals of write-downs of inventory made in prior periods. As of June 30, 2017, there was no inventory pledged as security for liabilities.

6. PORTFOLIO INVESTMENTS

Portfolio investments consist of bond and equity mutual funds, individual bonds and individual equities. The portfolio is entirely funded from long-term gifts with the related investment income externally restricted for the provision of student scholarships.

	2017	2016
Equities and equity mutual funds	\$ 2,354	\$ 1,858
Bonds and bond mutual funds	1,459	1,117
	\$ 3,813	\$ 2,975

The portfolio investments had a return of 8.11 per cent in 2017 (2016 - 0.72 per cent).

At June 30, 2017, the individual bond portfolio had a weighted average effective yield of 0.96 per cent (2016 - 1.00 per cent) with maturity dates ranging from less than two years to four years (2016 - less than one year to four years).

The Polytechnic's portfolio investments are classified as Level 1 financial instruments for which the fair value is determined based on quoted prices in active markets for identical assets. There were no transfers among levels for the years ended June 30, 2017 and 2016.

7. EMPLOYEE FUTURE BENEFITS

Benefits available to employees of the Polytechnic include accumulating non-vesting sick leave. Employees are credited up to 15 days per year for use as paid absences due to illness or injury. Employees are allowed to accumulate unused sick day credits each year and accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. For accounting purposes, the Polytechnic measures the accrued benefit obligations and calculates the annual expense for the fiscal period through actuarial valuations and extrapolations.

Information about the obligation for employee future benefits is as follows:

	2017	2016
Actuarial valuation date	June 30, 2014	June 30, 2014
Extrapolation date	June 30, 2017	June 30, 2016
Significant long-term assumptions used:		
Salary escalation (excluding step increases)	2.00%	2.00%
Discount rate	2.50%	2.00%
Estimated average remaining service life	9 years	9 years
Liability for employee future benefits:		
Accrued benefit obligation, beginning of year	\$ 3,238	\$ 3,341
Current period benefit cost	237	228
Interest cost	65	74
Benefit payments	(430)	(448)
Actuarial (gain) loss	(102)	43
Accrued benefit obligation, end of year	3,008	3,238
Unamortized net actuarial loss	(95)	(236)
Liability for employee future benefits	\$ 2,913	\$ 3,002
Employee future benefits expense:		
Current service cost	\$ 237	\$ 228
Interest cost on benefits	65	74
Amortization of net actuarial loss	39	34
Total employee future benefits expense	\$ 341	\$ 336

8. PENSION PLANS

Saskatchewan Polytechnic employees participate in various multi-employer defined benefits and defined contribution pension plans. The majority of these are administered by the Ministry of Finance. Employer contributions of \$10,134 (2016 - \$9,927) were expensed during the year. Employer obligations associated with the defined benefits plans, with the exception of the Municipal Employee Pension Plan (MEPP), are the responsibility of the General Revenue Fund of the Government of Saskatchewan. MEPP is a multi-employer defined benefit plan, covering approximately 15,400 active members, of which three are employees of Saskatchewan Polytechnic.

9. DEBT

	2017	2016
RBC revolving bankers' acceptance loan	\$ 1,073	\$ 1,177

The Polytechnic has a credit facility utilizing revolving bankers' acceptance ("BA") loans. The loans mature and are reissued for periods from one to three months at progressively smaller amounts based on a 15-year amortization period. The interest rate on the BA at June 30, 2017 was 1.3 per cent (annualized) and included a 0.30 per cent stamping fee (2016 - 1.19 per cent and 0.30 per cent). Interest expense on the BAs for the year was \$14 (2016 - \$14).

The Polytechnic has access to a revolving line of credit with RBC up to a limit of \$10,000. Interest is charged on these borrowings at the RBC prime rate less 0.45 per cent. Interest expense for the year on line of credit debt was nil (2016 - nil).

Annual principal repayments over the next five years and thereafter on the BA are as follows:

2018	\$	104
2019		104
2020		104
2021		104
2022		104
Thereafter		553
	\$	1,073

10. DEFERRED REVENUE

	Opening balance 2016	Receipts during year	Recognized as revenue	Ending balance 2017
Grants and contractual services:				
Government of Saskatchewan	\$ 135	\$ 183,384	\$ (183,512)	\$ 7
Government of Canada	-	7,658	(7,502)	156
Other governments	5	343	(348)	-
Non-government	1	1,690	(1,651)	40
Tuition and fees	4,967	38,145	(37,736)	5,376
Donations	5,594	2,029	(1,649)	5,974
	\$ 10,702	\$ 233,249	\$ (232,398)	\$ 11,553

Deferred revenue balances relate to the following:

Deferred grants and contractual services revenue provided by governments consists of unspent amounts where the funding has stipulations that create liabilities for the Polytechnic. Non-government grants and contractual services revenue is deferred to the extent that the agreed upon service remains to be completed.

Deferred tuition and fees represent amounts received for academic services to be provided in future periods.

The deferred donations balance represents unspent contributions subject to external restrictions and the related unspent restricted investment income.

11. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Leasehold improvements	Furniture & equipment	Computers & software	Library	2017 Total
Cost:							
Opening balance	\$ 6,212	\$ 9,549	\$ 68,430	\$ 72,394	\$ 18,554	\$ 6,136	\$ 181,275
Additions	-	-	409	4,762	2,391	278	7,840
Disposals	-	-	-	(1,050)	(1,675)	-	(2,725)
Closing balance	6,212	9,549	68,839	76,106	19,270	6,414	186,390
Accumulated amortization:							
Opening balance	-	1,767	36,346	53,717	14,792	5,225	111,847
Amortization	-	338	3,706	4,342	2,037	360	10,783
Disposals	-	-	-	(927)	(1,662)	-	(2,589)
Closing balance	-	2,105	40,052	57,132	15,167	5,585	120,041
Net book value	\$ 6,212	\$ 7,444	\$ 28,787	\$ 18,974	\$ 4,103	\$ 829	\$ 66,349

	Land	Buildings	Leasehold improvements	Furniture & equipment	Computers & software	Library	2017 Total
Cost:							
Opening balance	\$ 6,212	\$ 9,549	\$ 66,980	\$ 69,757	\$ 18,057	\$ 5,795	\$ 176,350
Additions	-	-	1,450	3,477	1,908	341	7,176
Disposals	-	-	-	(840)	(1,411)	-	(2,251)
Closing balance	6,212	9,549	68,430	72,394	18,554	6,136	181,275
Accumulated amortization:							
Opening balance	-	1,429	32,442	50,066	14,128	4,849	102,914
Amortization	-	338	3,904	4,473	2,067	376	11,158
Disposals	-	-	-	(822)	(1,403)	-	(2,225)
Closing balance	-	1,767	36,346	53,717	14,792	5,225	111,847
Net book value	\$ 6,212	\$ 7,782	\$ 32,084	\$ 18,677	\$ 3,762	\$ 911	\$ 69,428

At June 30, 2017, the tangible capital asset balance included capital assets under development of \$84 (2016 - \$379).

Donated tangible capital assets have been recognized at fair market value at the date of their receipt.

The value of donated tangible capital assets received during the year was \$289 (2016 - \$103).

The Polytechnic owns works of art including paintings and prints displayed at various locations. These collections are not recorded as tangible capital assets.

There were no write-downs of tangible capital assets in the years presented.

12. ACCUMULATED SURPLUS

a. Composition of accumulated surplus

	2017	2016
Investment in tangible capital assets	\$ 65,276	\$ 68,251
Prince Albert Campus student housing reserve	723	693
Unfunded employee future benefits	(2,913)	(3,002)
Restricted government transfers	1,737	1,755
Unrestricted operating surplus	1,253	8,121
Accumulated surplus	\$ 66,076	\$ 75,818

b. Investment in tangible capital assets

	2017	2016
Tangible capital assets	\$ 66,349	\$ 69,428
Debt	(1,073)	(1,177)
Investment in tangible capital assets	\$ 65,276	\$ 68,251

c. Change in unrestricted operating surplus

	2017	2016
Unrestricted operating surplus, beginning of year	\$ 8,121	\$ 6,062
Annual deficit	(9,742)	(2,217)
Decrease in investment in tangible capital assets	2,975	3,904
Increase in Prince Albert Campus student housing reserve	(30)	(81)
Decrease in employee future benefits liability	(89)	(112)
Decrease in restricted government transfers	18	565
Unrestricted operating surplus, end of year	\$ 1,253	\$ 8,121

13. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

a. Operating leases

The Polytechnic has entered into multiple-year contracts for leases of facilities and equipment and the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

The majority of the facilities are leased on a continuing basis from the Ministry of Central Services. The equipment leases and service contracts are with various private companies. The future minimum annual payments over the next five years are as follows:

	Facilities	Equipment & services	Total
2018	\$ 31,697	\$ 2,269	\$ 33,966
2019	32,331	665	32,996
2020	32,977	416	33,393
2021	33,637	411	34,048
2022	34,310	2	34,312

b. Capital projects

The estimated cost to complete major capital projects in progress at June 30, 2017 is approximately \$416 (2016 - \$435).

c. Outstanding legal claims

The nature of the Polytechnic's activities is such that there may be litigation pending at any time. A liability is recorded, on a case-by-case basis, if the expected loss is both probable and can be reasonably estimated. As at June 30, 2017, no amount has been accrued (2016 - \$1,100) for outstanding legal claims that management has determined meet the criteria for recording a liability under PSAS.

During the year, the settlement of claims made against Saskatchewan Polytechnic for losses incurred by employees and former employees who did not join the Public Employees' Pension Plan at the commencement of initial employment was concluded. The final amount paid to successful claimants totaled \$1,400. An amount of \$1,100 had been recorded as a liability at June 30, 2016 for the settlement of these claims.

14. EXPENSE BY OBJECT

	Budget 2017	2017	2016
Salaries and benefits (Notes 7 and 8)	\$ 177,205	\$ 176,719	\$ 170,057
Facilities	32,300	32,574	32,481
Services	15,990	14,630	15,007
Materials and supplies	6,444	6,068	6,495
Cost of goods sold	6,085	6,928	6,642
Amortization (Note 11)	10,400	10,783	11,158
Travel and professional development	3,850	3,668	4,019
Equipment rental and repairs	1,252	1,659	1,489
Scholarships and awards	1,805	1,810	1,908
Loss (gain) on disposal of capital assets	-	50	(38)
	\$ 255,331	\$ 254,889	\$ 249,218

15. NET CHANGE IN NON-CASH OPERATING BALANCES

	2017	2016
Accounts receivable	\$ (695)	\$ (1,601)
Inventories for resale	239	(556)
Accounts payable and accrued liabilities	1,241	738
Salaries and benefits payable	3,170	(1,724)
Deferred revenue	851	2,695
Prepaid expenses	6	708
	\$ 4,812	\$ 260

16. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and reflect the 2016-19 Multi-year Business Plan, approved by the Board of Directors on July 4, 2016. The budget for 2018 was approved by the Board of Directors on April 28, 2017 as part of the 2017-20 Multi-year Business Plan.

17. FINANCIAL INSTRUMENT RISK

The Polytechnic's financial instruments include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, salaries and benefits payable and debt. Management has determined that the Polytechnic has exposure to the following risks from its use of financial instruments.

a. Credit risk

The Polytechnic is exposed to the risk resulting from the possibility that parties may default on their financial obligations. The Polytechnic's credit risk is largely attributable to corporate and student receivables. This risk is mitigated by proactive credit and collections management.

Credit risk related to other financial instruments is not significant. Other receivables are primarily due from governments and bonds held at June 30, 2017, are guaranteed by a federal or provincial government. The cash balance represents deposits with Canadian chartered banks.

b. Market risk

There is a risk that fluctuations in market prices will affect the value of holdings in the Polytechnic's portfolio investments. This risk is mitigated by having professional investment managers build and maintain a well-diversified portfolio of securities that complies with the Polytechnic's investment policy.

c. Interest rate risk

The Polytechnic is exposed to interest rate price risk on the fixed income component of its investment portfolio and interest rate cash flow risk on the income earned on its cash and cash equivalents balance. Interest rate cash flow risk also exists on the debt carried by the Polytechnic. The impact of changes in interest rates is mitigated by the relatively small percentage of financial assets with fixed interest rates and the contribution of investment income to the Polytechnic's overall revenue. The exposure to interest rate risk related to debt is mitigated by its relatively small size and its small size as compared to the cash and cash equivalents balance.

d. Liquidity risk

Liquidity risk is the risk that the Polytechnic will not be able to meet a demand for cash or fund its obligations as they come due. The Polytechnic manages its liquidity risk by holding assets that can be readily converted into cash and preparing annual operating and capital budgets that are monitored and updated as necessary. A revolving line of credit (note 9) is also available to provide additional funds to meet short-term current and forecasted financial requirements.

18. RELATED PARTIES

These financial statements include transactions with related parties. The Polytechnic is related to all Saskatchewan Crown corporations, ministries, boards, and commissions under the common control of the Government of Saskatchewan. The Polytechnic is also related to non-Crown enterprises subject to joint control and significant influence by the Government of Saskatchewan.

During the year, grant and contractual services revenue of \$183,512 (2016 - \$187,332) was recognized from related parties, the majority of which was provided by the Ministry of Advanced Education.

Routine operating transactions with related parties are settled at exchange amounts. Transactions during the year, and amounts outstanding at year end, are as follows:

	2017	2016
Accounts receivable	\$ 1,022	\$ 1,951
Accounts payable and accrued liabilities	487	815
Acquisition of tangible capital assets	604	1,247
Non-grant and non-contractual services revenue	4,399	3,900
Expenses	35,552	37,052

In addition, the Polytechnic pays provincial sales tax on all its taxable purchases.

19. COMPARATIVE FIGURES

Certain 2016 figures have been reclassified to conform to the presentation adopted in the 2017 financial statements.

ADMINISTRATION

SENIOR MANAGEMENT COUNCIL

Dr. Larry Rosia, President & CEO
Dr. Anne Neufeld, Provost & Vice-President, Academic
Deborah Meyers, CFO & Vice-President, Administrative Services
Dr. Dennis Johnson, Vice-President, Strategy & Business Development

ASSOCIATE VICE-PRESIDENTS

Applied Research and Innovation: Dr. Susan Blum
Business Development: Vacant
Communications & Marketing: Tracy Breher (acting)
Facilities Management: Jeff Chow
Financial Services: Cheryl Schmitz
Human Resources: Terence Carswell
Information Technology Services: Garth McCormick
Learning & Teaching: Dan MacKay (interim)
Project Manager Saskatoon Campus Renewal: Vacant
Special Advisor to the Provost: Vacant
Strategy: Crystal Nett
Student Services: Tobi Strohan

DEANS AND ASSOCIATE DEANS

Department of Arts & Sciences and Co-operative Education: Jamie Hilts, Dean and Brenda Suru, Associate Dean
Institute of Nursing Scholarship: Dr. June Anonson
School of Business: Faye McKay, Dean (acting) and Doug Rempel, Associate Dean (acting)
School of Construction: Dan Duperreault, Dean (interim) and Steven Pritchard, Associate Dean (acting)
School of Health Sciences: Dr. Netha Dyck, Dean and Cindy Smith, Associate Dean (acting)
School of Hospitality and Tourism: Julian Tomlinson, Dean (acting) and Kelly Maddin, Associate Dean (acting)
School of Human Services and Community Safety: Julian Tomlinson, Dean (acting) and Kelly Maddin, Associate Dean (acting)
School of Information and Communications Technology: Faye McKay, Dean (acting) and Doug Rempel, Associate Dean (acting)
School of Mining, Energy and Manufacturing: Jamie Hilts, Dean and Brenda Suru, Associate Dean
School of Natural Resources and Built Environment: Jamie Hilts, Dean and Brenda Suru, Associate Dean
School of Nursing: Dr. Netha Dyck, Dean and Cindy Smith, Associate Dean
School of Transportation: Dan Duperreault, Dean (interim) and Steven Pritchard, Associate Dean (acting)

DIRECTORS

Applications & Business Services: Tiffany Simister
Applied Research: Kevin Rogers
Business Development: Vacant
Business Process Solutions: Doris Fox
Client & Infrastructure Services: Raymond Saunders
Donor & Alumni Relations: Pam McLellan
Employee Relations: Don Soanes
Extension: Denise Hauta
Financial Operations: Patrick Heal
Financial Planning: Sean Engemoen
Health, Safety & Security: Wally Hurlbert
Human Resource Advisory Services: Deirdre Marshall
Human Resource Strategy Development: Betty Mutwiri
Indigenous Strategy: Jason Seright
Instructional & Leadership Development Centre: Dasha Kinelovsky
International Projects: Ihor Ilko (acting)
Learning Technologies: Doug Dombrosky
Library & Testing Services: Rian Misfeldt
Marketing & Client Excellence: Vacant
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