



**SASKATCHEWAN
POLYTECHNIC**

Tomorrow
in the making

2015-2016

ANNUAL REPORT STUDENT SUCCESS

TABLE OF CONTENTS

2	Vision, Mission, Values	35	Enterprise sustainability: Maximize resource management
2	Letter of transmittal	36	Management discussion and analysis
3	Message from Chair and President & CEO	42	Financial statements
3	Board of Directors	48	Administration
4	Student success		
24	Statistics		
28	Strategy map 2020		
29	2015–2016 Strategic priorities		
30	Strategic initiatives		
31	Clients: Maximize student success		
32	Internal processes: Making successful careers possible		
35	People, leadership and growth: Be an employer of choice		

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 operating and capital plan (OCP) translates the strategic vision into action, detailing planning assumptions and assigning resources to advance new strategic initiatives and support ongoing activities. Initiatives in the OCP 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 Sask Polytech 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 Sask Polytech board of directors for approval at its November 2011 meeting. Further development of Sask Polytech's balanced scorecard framework continues 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, OCP, operations forecast and previous annual reports, please visit saskpolytech.ca.

AS WE LOOK TOWARD FUTURE AND AN EXCIT



**2020, WE SEE A BRIGHT
ING ROAD AHEAD!**

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 behaviour and take responsibility for our actions.

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.

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.

LETTER OF TRANSMITTAL

400-119 4th Ave S
Saskatoon SK S7K 5X2

September 30, 2016

The Honourable Bronwyn Eyre
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, 2016.

Respectfully submitted,

Ralph E. Boychuk, Chair
Saskatchewan Polytechnic Board of Directors



Dr. Larry Rosia
President & CEO

MESSAGE FROM CHAIR AND PRESIDENT & CEO

Saskatchewan Polytechnic has tens of thousands of graduates, working in every sector of employment, driving economic growth and significantly contributing to the communities where they live.

The best way to measure our success is to consider the success of our students and graduates. Our students' achievements and accomplishments are strong indicators that the right strategic decisions are being made for the institution and the province. The good work of our faculty, staff and students is helping us continue to achieve our vision of becoming Canada's first choice polytechnic by 2020.

In 2015-16, we adapted to a changing economy by moving to a focus-and-finish approach to reach our strategic goals. This enabled us to choose and concentrate on selected key goals while identifying and reprioritizing projects for the future. We were able to continue our growth during a time when organizations across the province were slowing down.

This focus-and-finish approach is effective thanks to the hard work and dedication of our faculty and staff. They are on the front-lines everyday providing students with a quality education, connecting students to employers and delivering the applied and work-integrated learning opportunities Saskatchewan Polytechnic has built its reputation on.

As we look ahead to the 2016-17 academic year, we will continue to be strategic in all that we do. Our primary goal is to ensure our students continue to be successful in reaching their educational and career goals — goals we are confident they will achieve.

Sincerely,

Ralph E. Boychuk, Chair
Dr. Larry Rosia, President & CEO

BOARD OF DIRECTORS



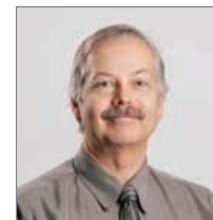
Ralph Boychuck,
Chair
Prince Albert



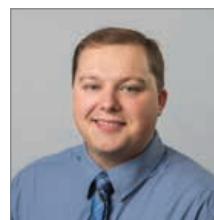
Pam Schwann,
Vice-Chair
Craven



Jim Nowakowski,
Secretary
Saskatoon



Garry Benning
Grasswood



Matthew Bepalko
Regina



Donna L. Birkmaier
Saskatoon



Lydia Cyr
Fort Qu'Appelle



Erick Erickson
Silton



Kerry Heid
Regina



Terry Parker
Regina



Robert Stromberg
Cochin



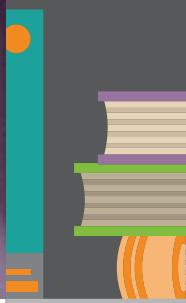
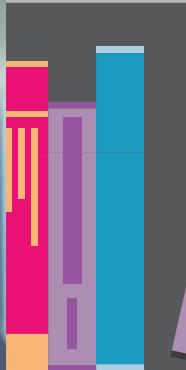
Arlene Unvoas
Swift Current



Mark Vanstone
Saskatoon



Brent Waldo
Moose Jaw



THE SASK POLYTECH
ADVANTAGE IS STRENGTH
IN INDUSTRY CONNECTIONS.

97%

OF EMPLOYERS SAID
THEY'D HIRE ONE OF
OUR GRADS AGAIN.



STUDENT SUCCESS

The largest indicator of how well Saskatchewan Polytechnic is meeting its vision and goals is found in the success of its students. Through various strategic initiatives and dedication from faculty and staff, all students are given equal opportunities to achieve their educational goals. Here are just a few of the many student success stories that highlight how Saskatchewan Polytechnic can be Canada's top-choice polytechnic by 2020.

CRYSTAL WHITEFISH

HOMETOWN Big River First Nation, SK

PROGRAM Saskatchewan Collaborative Bachelor of Science in Nursing (SCBScN)

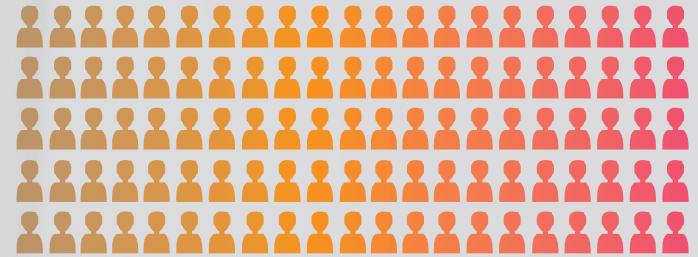
Nursing is more than a career for Crystal Whitefish — it's a way of life. Since starting the Saskatchewan Collaborative Bachelor of Science in Nursing (SCBScN) program at Saskatchewan Polytechnic and University of Regina, she has developed a natural passion for providing much-needed care for individuals in rural and remote areas not only in the province but also around the world.

Crystal says a large part of her success is due to the unique opportunities Sask Polytech provides to students. During her four years of study, Crystal was able to participate in major research projects, present at national conferences and study abroad.

"I've had so many opportunities to grow as a leader, get involved in research and learn abroad," says Crystal. "My time at Sask Polytech has been awesome!"



Academic Year 2014-15



Almost **3,500** Indigenous students were enrolled in Saskatchewan Polytechnic.



In 2015 **6 SCBScN STUDENTS & 1 FACULTY MEMBER** travelled to Mexico to study abroad.

42 NURSING STUDENTS & 10 FACULTY MEMBERS have travelled internationally for clinical rotations and practicums during academic years 2013-16.

KARISSA QUESSY

HOMETOWN Martensville, SK

PROGRAM Chemical Technology -
diploma

Karissa is passionate about chemistry, so enrolling in the Chemical Technology diploma program was a logical choice. She knew the program wasn't going to be easy but she rose to the challenge, faced it head-on and managed to achieve a number of her educational and career goals. She attributes her success to ready access to state-of-the-art equipment, applied learning opportunities and instructors who were willing to help.

"I had many caring instructors who continuously pushed me to succeed," says Karissa. "They were so helpful and available any time I needed guidance."

As she looks to her future, Karissa would like to help advance the role chemical technology plays within a variety of industries, from mining to manufacturing, across the province.

8,672

FEMALE STUDENTS

were enrolled at
Saskatchewan
Polytechnic for
academic year
2014-15.





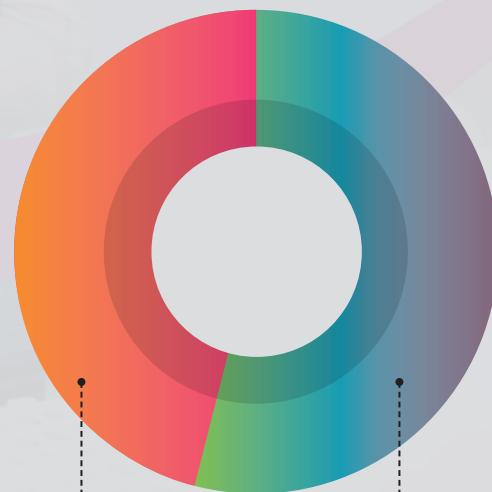
KAILA JOHNSON

HOMETOWN Arborfield, SK

PROGRAM Chemical Technology - diploma

Academic Year 2015-16

ENROLMENT IN YEAR 1 OF CHEMICAL TECHNOLOGY AT SASKATCHEWAN POLYTECHNIC



48%

FEMALE STUDENTS

52%

MALE STUDENTS

Two years after completing her hairstyling certificate, Kaila decided to go back to school and entered the Chemical Technology diploma program. She found the smaller class sizes and applied learning at Sask Polytech led to enhanced opportunities. She says having to balance part-time work and school work wasn't always easy, but through the support of dedicated faculty and staff, she was able to succeed.

"The instructors took time to acknowledge student successes and hard work. This made me feel valued and reassured me that hard work doesn't go unnoticed," she says. "It helped to keep me determined and focused on the importance of tasks when times got tough."

After a successful work placement at Cameco, where she conducted independent research, Kaila now is looking for employment opportunities, even overseas, to put her knowledge to work.

KYRA WINTERHALT

HOMETOWN Saskatoon, SK

PROGRAM Mechanical Engineering Technology - diploma

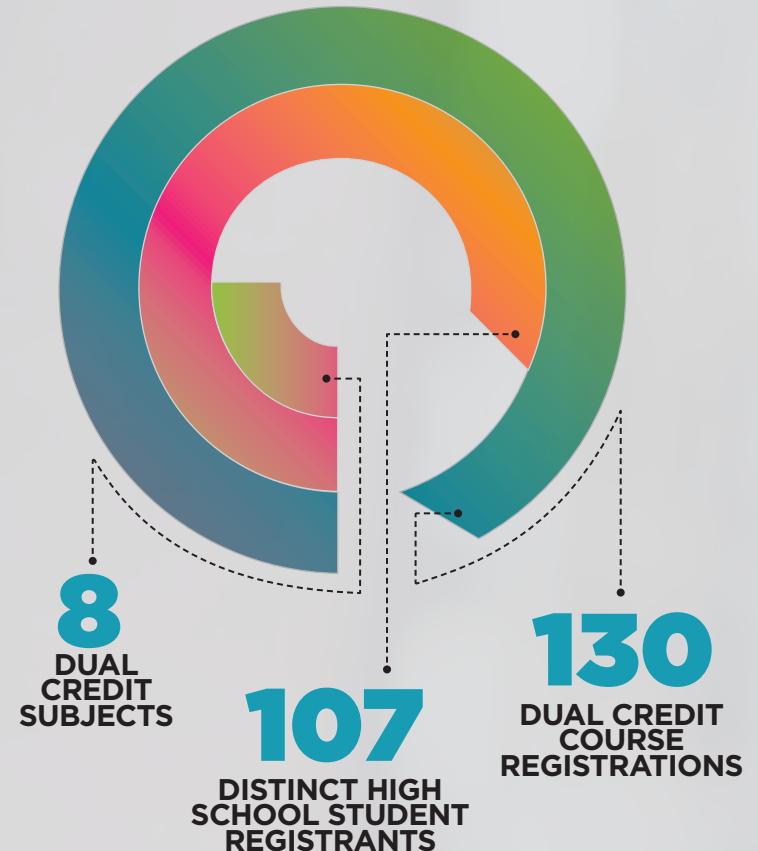
Kyra's first encounter with Saskatchewan Polytechnic was as a high-school student. After building a strong foundation for success by taking an online dual credit course in high-school, she started her post-secondary training in the Mechanical Engineering Technology diploma program in September 2016. She was a top student in her dual credit course (CAD Drafting 1), where she received both secondary and post-secondary credits.

Deciding what to do after high-school was a daunting task. Kyra says it wasn't until she met with a Sask Polytech instructor and took her online course that she began to find some direction for her future.

"I went from zero plans for the future, to having many choices and a clear path," she says. "To me that is a huge way Sask Polytech has helped me succeed. They have provided me with a basis for my future."

Academic Year 2015-16

DUAL CREDIT COURSES AT SASKATCHEWAN POLYTECHNIC



SASKATCHEWAN POLYTECHNIC supports economic development through applied research that helps find innovative solutions to real-world problems.





KEITH FISHER

HOMETOWN Victoire, SK

PROGRAM Disability Support Worker - certificate

Before Keith began the Disability Support Worker certificate program, he'd already been a Cosmopolitan Industries employee as a life skills support worker for 13 years. He decided to participate in the course to advance his skills and knowledge to be more successful at work.

Keith says a large part of his success is because of the strong partnership between Sask Polytech and Cosmopolitan Industries, which allowed him to take night classes at a Cosmo facility and classes by distance education.

"The training I received through the Disability Support Worker program has enhanced my ability to grow with the participants I support," says Keith. "I feel very fortunate to benefit from the partnership between Cosmo and Sask Polytech."

Academic Year 2014-15

23%

of students were enrolled in distance delivery courses.



6,188

distance delivery students were enrolled.





JOELLE (JOE) NICOTINE

HOMETOWN Red Pheasant First Nation, SK

PROGRAM Saskatchewan Apprenticeship and Trade Certification Commission Welding training

Joe's first experience with welding took place on the job, working on an oil pipeline that runs through Saskatchewan. There he saw, first-hand, the skill and precision welders need to do their jobs well. As he grew more comfortable with the tools of the trade, he began to look at his educational options to advance his career. He began that journey with Sask Polytech in 2013 and after two years of hard work and dedication, Joe received his Red Seal in welding.

Joe says he managed to stay on top of his school work by utilizing the services available to him such as Learning Services and the library. He also says having the ability to practice his skills in the shop was a big help.

"Being taught different skills at each level of training helped me become a more experienced welder in the shop. Lots of practice and studying helps you become the best you can be," says Joe.

Academic Year 2014-15

SASKATCHEWAN POLYTECHNIC offers more than **150** hands-on programs.



24 apprenticeship programs are offered.

31% of student enrolments are in apprenticeship training.



AFSAR LALLOO

HOMETOWN Swift Current, SK (formally of Mauritius, East Africa)

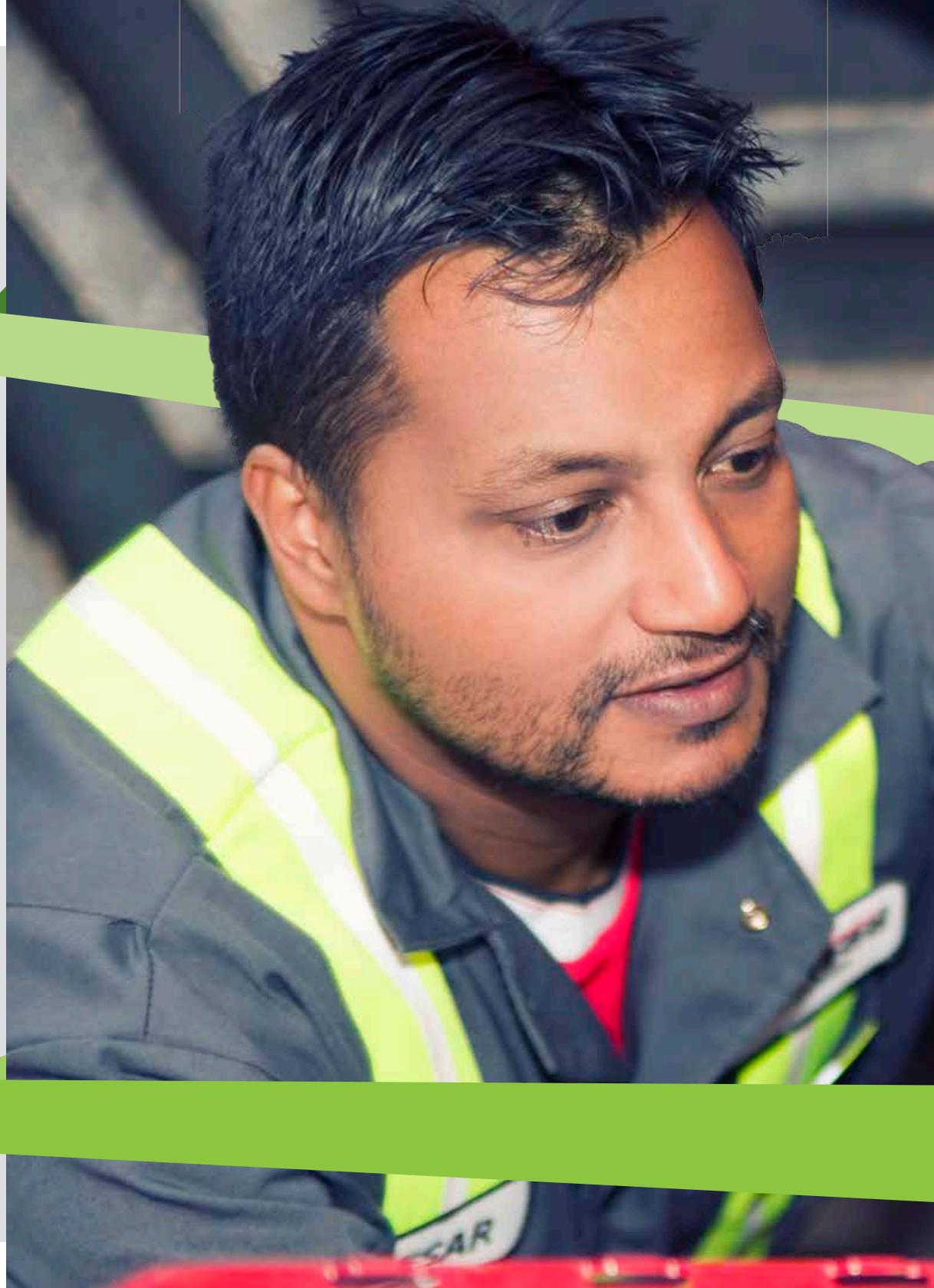
PROGRAM Agricultural Equipment Technician - certificate

Afsar grew up on a small island southeast of Africa and, as an adult, was a mechanic working primarily on large vehicles such as trucks and buses. It wasn't until he moved to Saskatchewan that he saw large farming equipment for the first time.

"I'd never seen such large machines," says Afsar. "Working on such large equipment was a big change from what I was used to."

But Afsar really enjoyed the work, so he headed to Sask Polytech to obtain his education and pursue a career in agricultural machinery, with the goal of one day becoming a journeyman. He thanks his instructors and classmates for his success.

"The instructors are doing a big job, and they're doing it well," he says. "Their patience and knowledge made learning easier for me."



Academic Year 2014-15



1,142 visible minority students.



6% of Agricultural Equipment Technician students are visible minorities.

CHARLENE YOUNG

HOMETOWN Rosetown, SK

PROGRAM Office Administration – certificate and Computer Works – certificate

Charlene has been blind her whole life, but that has never stopped her from chasing her dreams. She's a two-time Sask Polytech grad: she previously graduated from the Computer Works certificate program and in 2015 graduated from the Office Administration certificate program. She says her time spent at Sask Polytech has proven to be a valuable step toward building a career in an office.

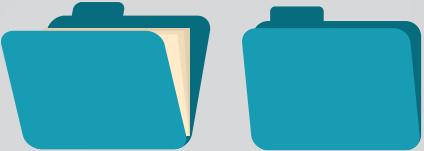
"I like to try to do things on my own before I ask for help," says Charlene. "Being able to take my classes online (using special software) was a big help — it made it easier for me to do my course work."

She says the support she received from the dedicated staff at Disability Services — including helping her find the necessary materials as well as providing tutors and other assistance — meant she was able to participate at the same level as her sighted classmates. Charlene is currently working part-time for both Saskatoon Police and Saskatchewan Polytechnic.





Academic Year 2014-15

46  certificate programs,
including Office Administration.

959  students
living with disabilities.



**OUR STUDENTS
DEVELOP
CAREER-READY
SKILLS** they can
use in the workplace
starting on Day 1.

PARDIS ONVANI

HOMETOWN Regina, SK (formally of Esfahan, Iran)

PROGRAM Dental Hygiene - diploma

In 2007, Pardis received an industrial engineering degree from Sharif University of Technology in Iran. In the back of her mind, however, she knew that if she ever went back to school she would want to study something that would lead to a career in health care.

When she moved to Canada in 2011, she found that opportunity. After completing the ESL program at Sask Polytech, she enrolled in the Dental Hygiene diploma program in 2014. Pardis says the applied learning opportunities at Sask Polytech mean she can achieve her dream of helping people.

“Saskatchewan Polytechnic has provided me with evidence-based instruction that will undoubtedly prepare me for clinical practice,” says Pardis. “Having access to an on-campus clinic, with knowledgeable instructors and clinical supervisors, has most definitely contributed to my success.”





Academic Year 2014-15



diploma programs, including Dental Hygiene.



80+ students, faculty and staff volunteers come together to provide free care on Dental Day.

ADRIANNA REMLINGER

HOMETOWN Imperial, SK

PROGRAM Professional Cooking - certificate;
Saskatchewan Apprenticeship and
Trade Certification Commission
Cook training

This 2016 Saskatchewan Junior Chef of the Year winner says she's loved to cook since she was old enough to stand on a chair and help her mom.

As a young adult, Adrianna found opportunities to cook as often as possible, gaining experience everywhere she went. As a student in the Professional Cooking certificate program Adrianna was able to develop skills and make meaningful connections with professional chefs, helping her find success.

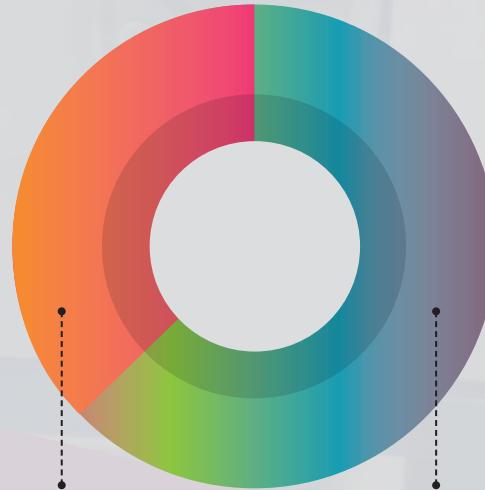
"Without this program, I would not be where I am today and would not be any closer to reaching my dreams," she says. "Sask Polytech opened doors to many new learning experiences such as culinary competitions, job offers and volunteer opportunities. It also introduced me to many great people."

Adrianna is enrolled in the Saskatchewan Apprenticeship and Trade Certification Commission Cook program and is working to become a Red Seal chef. Once done, she is looking east - hoping to attend a Pastry Arts program in Prince Edward Island.



Academic Year 2014-15

CULINARY ARTS STUDENTS AT SASKATOON CAMPUS



37%
MALE STUDENTS

63%
FEMALE STUDENTS

Culinary arts
applications
have increased by **19%**

CENSUS STUDENT STATISTICS

For academic year 2014-15*

PROGRAM ENROLMENT

TRAINING LEVEL	FULL TIME	PART TIME	TOTAL HEADCOUNT
Programs:			
Basic Education	2,744	1,260	4,004
Apprenticeship	5,815	152	5,967
Sask Polytech	5,804	152	5,956
Brokering Institutions	11	0	11
Cert-Dip-Degree/Base	5,634	744	6,378
Cert-Dip-Degree/Con Ed	1,538	1,221	2,759
Sask Polytech	343	1,019	1,362
Brokering Institutions	1,195	202	1,397
All Levels	15,731	3,377	19,108

Distinct Students Enrolled in Programs 18,423

COURSE REGISTRATIONS

TRAINING LEVEL	TOTAL COURSE REGISTRATIONS
Credit:	
Basic Education	4,368
Apprenticeship	220
Sask Polytech	220
Brokering Institutions	0
Cert-Dip-Degree/Base	2,436
Cert-Dip-Degree/Con Ed	10,597
Sask Polytech	9,792
Brokering Institutions	805
Subtotal Credit Activity	17,621
Non-Credit	5,983

All Levels 23,604

Distinct Students Registered in Courses 12,938

FULL LOAD EQUIVALENT (FLE)

TRAINING LEVEL	PROGRAM FLE	COURSES FLE	TOTAL FLE
Credit:			
Basic Education	2,234	614	2,938
Apprenticeship	2,126	7	2,132
Sask Polytech	2,122	7	2,129
Brokering Institutions	3	0	3
Cert-Dip-Degree/Base	5,559	209	5,769
Cert-Dip-Degree/Con Ed	1,667	700	2,367
Sask Polytech	444	655	1,100
Brokering Institutions	1,222	45	1,267
Subtotal Credit Activity	11,676	1,531	13,207
Non-Credit	n/a	295	295
All Levels	11,676	1,826	13,502

Distinct Students in All Training (Programs and Courses) 26,956

NOTES:

- Given a student can be enrolled in more than one level of training in an academic year, the number of distinct students enrolled in programs overall may be less than the sum of the program headcount enrolment totals.
- Full load equivalent (FLE) reports a student's "full-load" activity based on the total number of credits/hours s/he attended, relative to the number of credits/hours that

would normally be assigned a full-time learner over the academic year. The overall FLE represents all activity at Saskatchewan Polytechnic and is inclusive of both students who are enrolled in programs and/or are 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). College, it is not brokered activity and is jointly delivered by

the University of Regina and Saskatchewan Polytechnic. These enrolments have been rolled into Saskatchewan Polytechnic's base delivery. Revision: May 18, 2016.

- Official student records for the SCBScN program are managed by the University of Regina. Based on data shared by the U of R, there were 1,280 SCBScN enrolments entered in Saskatchewan Polytechnic's student information system. These students have been reported as full-time program enrolments; however, the

actual attendance status of these students is not known, given the University of Regina manages the detailed enrolment records. Similarly, full load equivalent data for the SCBScN program are not reportable from Sask Polytech student information systems and are not included in above FLE totals. In the event of a headcount discrepancy, U of R enrolment numbers are to be used as the official record.

Source: Operational Data Store, 2014-15 AY Census Extract, Sept 26, 2015



95

Sask Polytech programs have a work experience component, including co-operative education.

EDUCATION EQUITY PARTICIPANTS

For academic year 2014-15*
(Headcount and % Enrolment)

DESIGNATED GROUP OF STUDENTS	ALL PROGRAMS**		CERTIFICATE/DIPLOMA/DEGREE**	
	#	%	#	%
Persons of Indigenous Ancestry	3,490	18.3%	1,608	17.6%
Persons with Disabilities	959	5.0%	531	5.8%
Persons of Visible Minorities	1,142	6.0%	601	6.6%
Female Students	8,672	45.4%	5,974	65.4%

* Source: Saskatchewan Polytechnic Operational Data Store, 2014-2015 AY Census Extract, Sept 26, 2015.

** Certificate/diploma, degree, basic education and apprenticeship programs; includes continuing education and programs delivered at regional colleges.

WORKFORCE STATISTICS

Full-Time Equivalent (FTE) Totals

July 1, 2015, to June 30, 2016, and July 1, 2014, to June 30, 2015

	ACADEMIC		PROFESSIONAL SERVICES		OUT-OF-SCOPE		TOTALS	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Saskatoon	463.15	475.15	155.79	151.17	26.00	19.49	644.94	645.81
Moose Jaw	181.00	195.65	95.07	96.23	10.60	12.24	286.67	301.12
Regina	295.53	313.97	134.87	132.75	17.32	14.81	447.72	461.53
Prince Albert	137.60	132.83	60.23	63.32	12.00	11.47	209.83	207.62
Admin. Offices	1	0	65.48	55.51	56.27	43.90	122.75	99.41
TOTALS	1,078.28	1,114.60	511.44	498.98	122.19	101.91	1,711.91	1,715.49

FULL-TIME EQUIVALENCY

This report will include (as of June 30, 2016):

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

Not included in this report:

- Part-time status employees who work only casual assignments or ESC assignments
- Casual status employees
- Extension contracts
- Anyone on leave

NUMBER OF GRADUATES

For academic year 2014-15

Applied Certificate	667
Certificate	1,937
Advanced Certificate	154
Diploma	1,083
Degree - standalone	1
Post Graduate Certificate	15
TOTAL	3,857

NUMBER OF POST-SECONDARY PROGRAMS

For academic year 2014-15

Applied Certificate	43
Certificate	46
Advanced Certificate	10
Diploma	50
Degree	3
Apprenticeship	24
Post Graduate Certificate	1
TOTAL	177

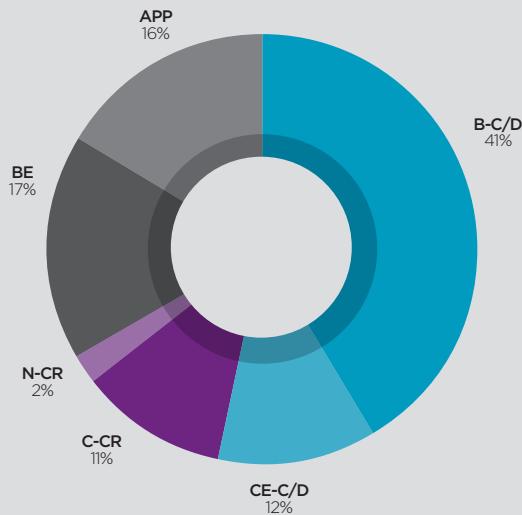
**WE ARE THE PROVINCE'S
ONLY POLYTECHNIC AND ITS PRIMARY
INSTITUTION FOR POST-SECONDARY
APPLIED EDUCATION AND RESEARCH.**

ENROLMENT BY FLE*

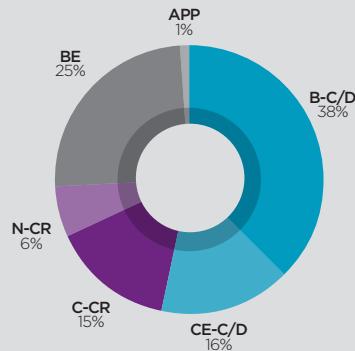
For academic year 2014-15**
(Headcount and % Enrolment)

- 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)**

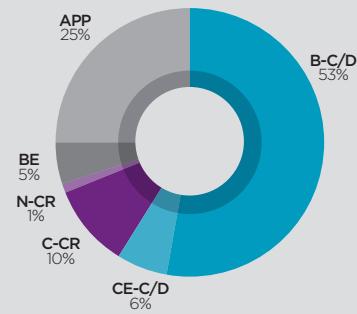
**SASKATCHEWAN POLYTECHNIC
FLE TOTAL 13,502**



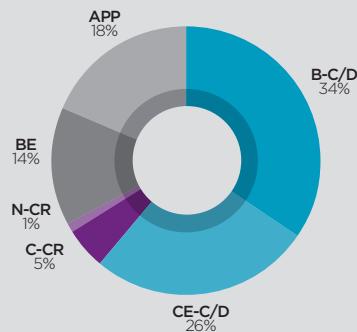
**REGINA CAMPUS
FLE TOTAL 2,969**



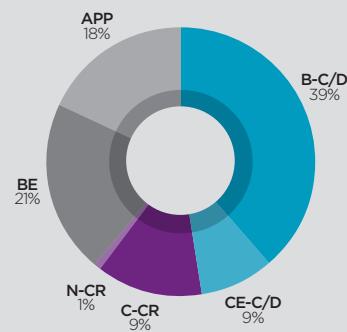
**MOOSE JAW CAMPUS
FLE TOTAL 2,868**



**PRINCE ALBERT CAMPUS
FLE TOTAL 2,104**

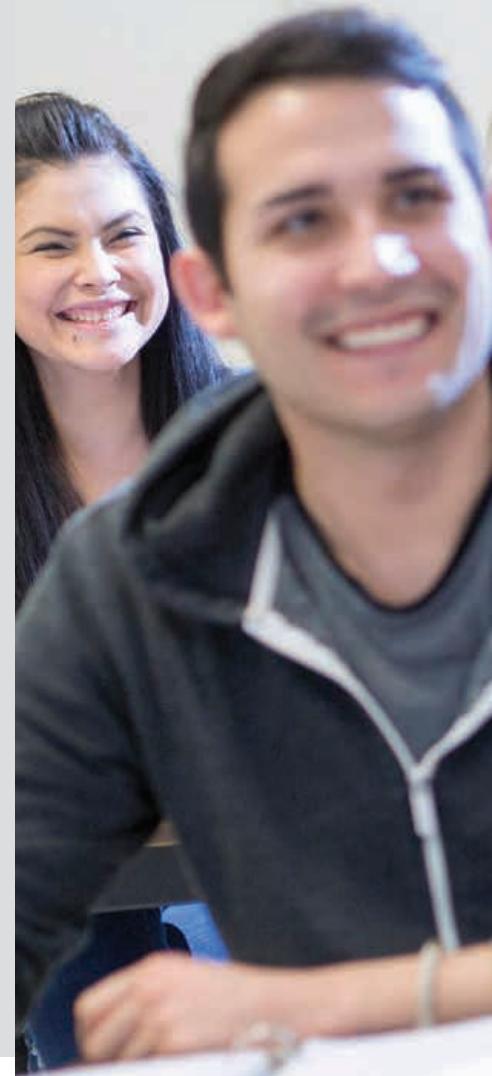


**SASKATOON CAMPUS
FLE TOTAL 5,561**



* Full-Load Equivalent

** Source: Operational Data Store, 2014-15 AY Census Extract, Sept 26, 2015.

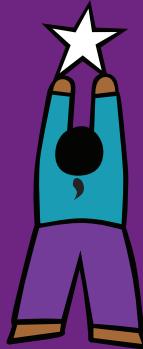




432 INTERNATIONAL STUDENTS
23 INDIA 67 VIETNAM

90 TOTAL OVERSEAS ENROLMENT

342 SASKATCHEWAN STUDENT VISA

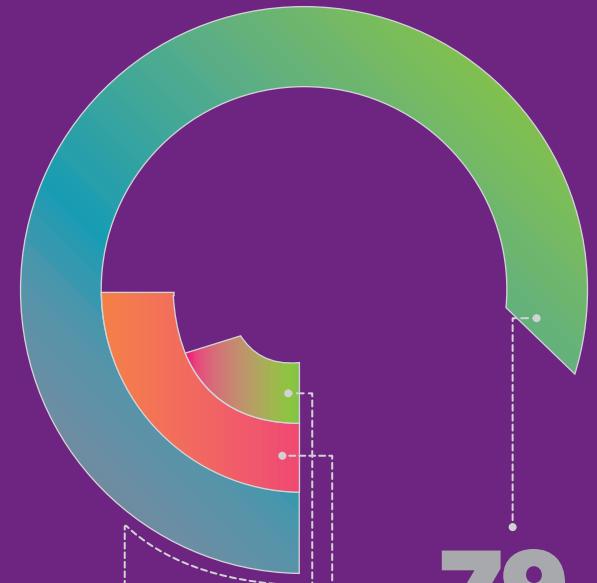


3,490

INDIGENOUS STUDENTS
For academic year 2014-15

26,956

NUMBER OF STUDENTS
For academic year 2014-15



16
NUMBER OF
CO-OPERATIVE
PROGRAMS

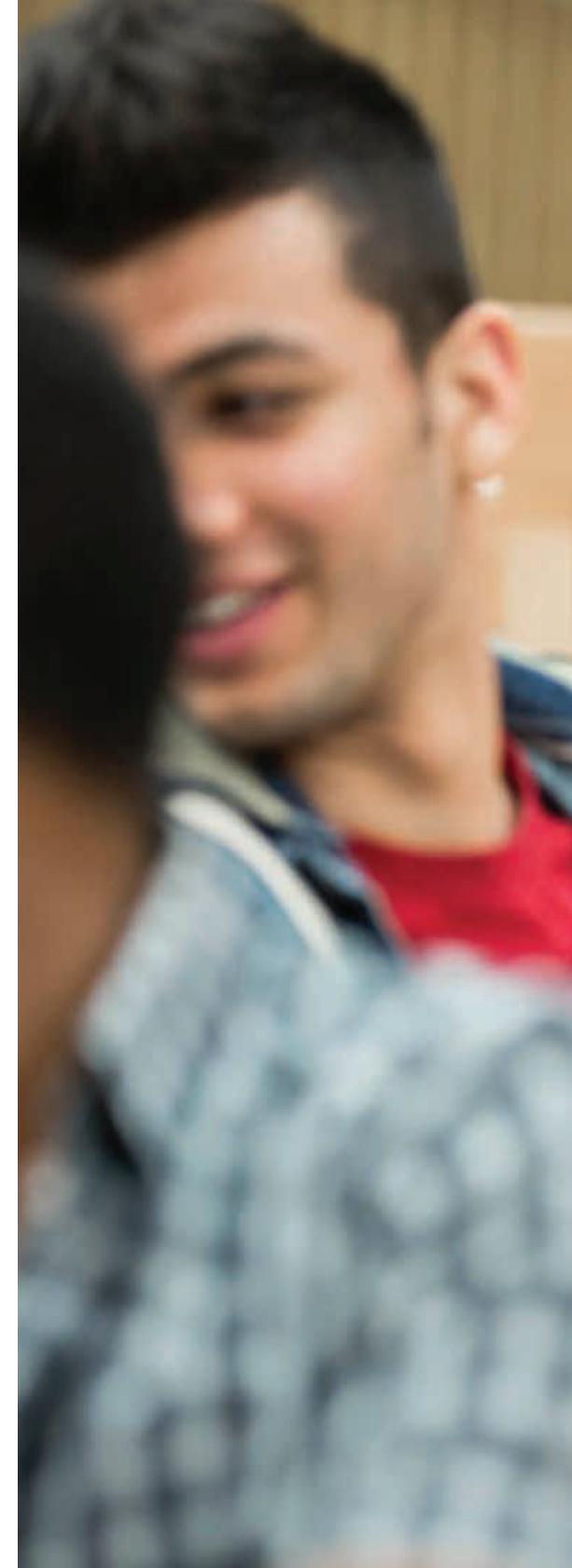
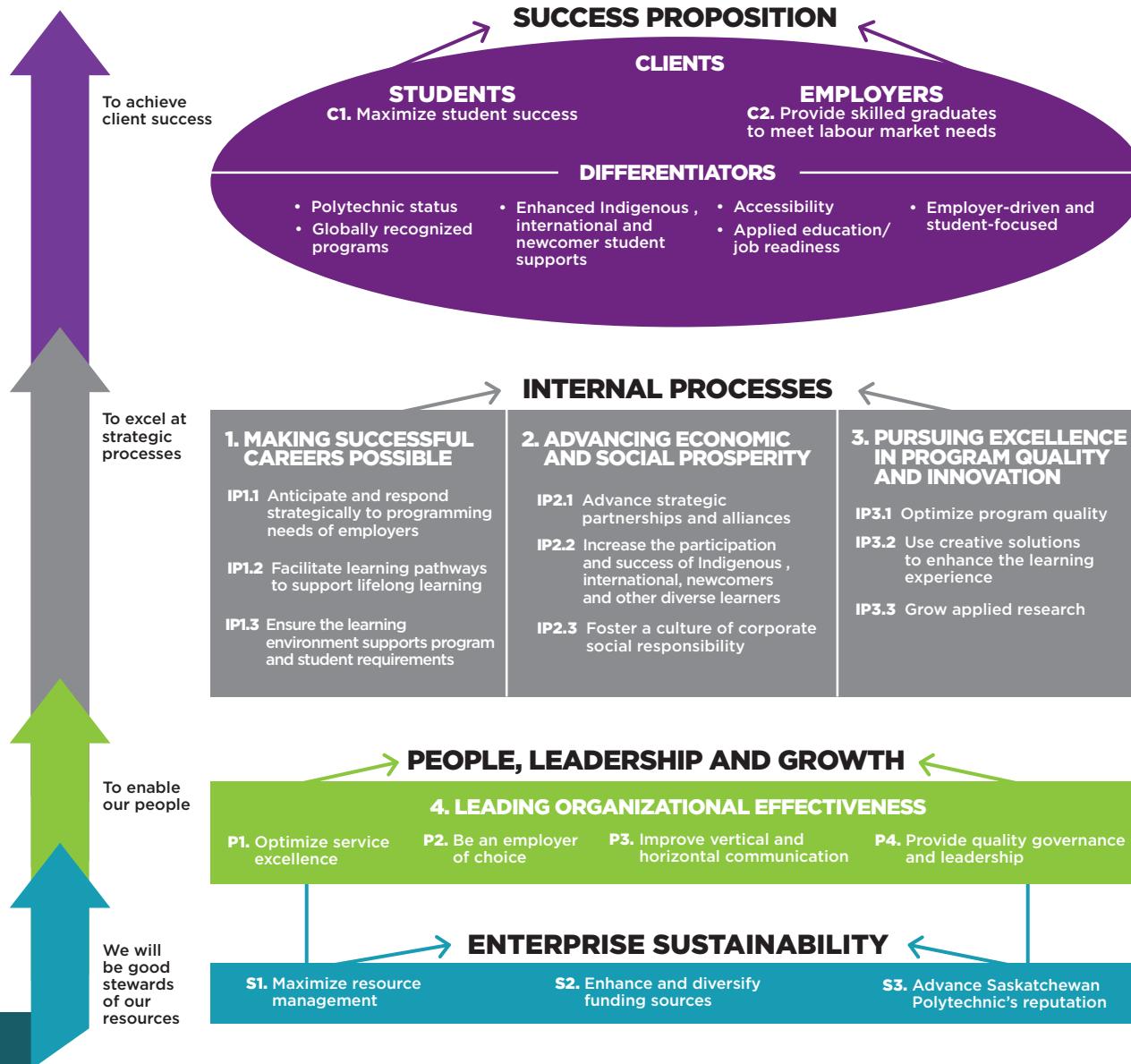
79
NUMBER OF
WORK-INTEGRATED
LEARNING
PROGRAMS

24
NUMBER OF
APPRENTICESHIP PROGRAMS

STRATEGY MAP 2020

In 2014, Saskatchewan Polytechnic released *Tomorrow in the Making: Strategic Plan 2014-2020*. The publication included the updated strategy map below, developed from stakeholder input and research into post-secondary trends.

Our vision and mission define our intended outcomes. The remainder of our strategy map, read from bottom up, tells the story of our strategy through themes and goals.





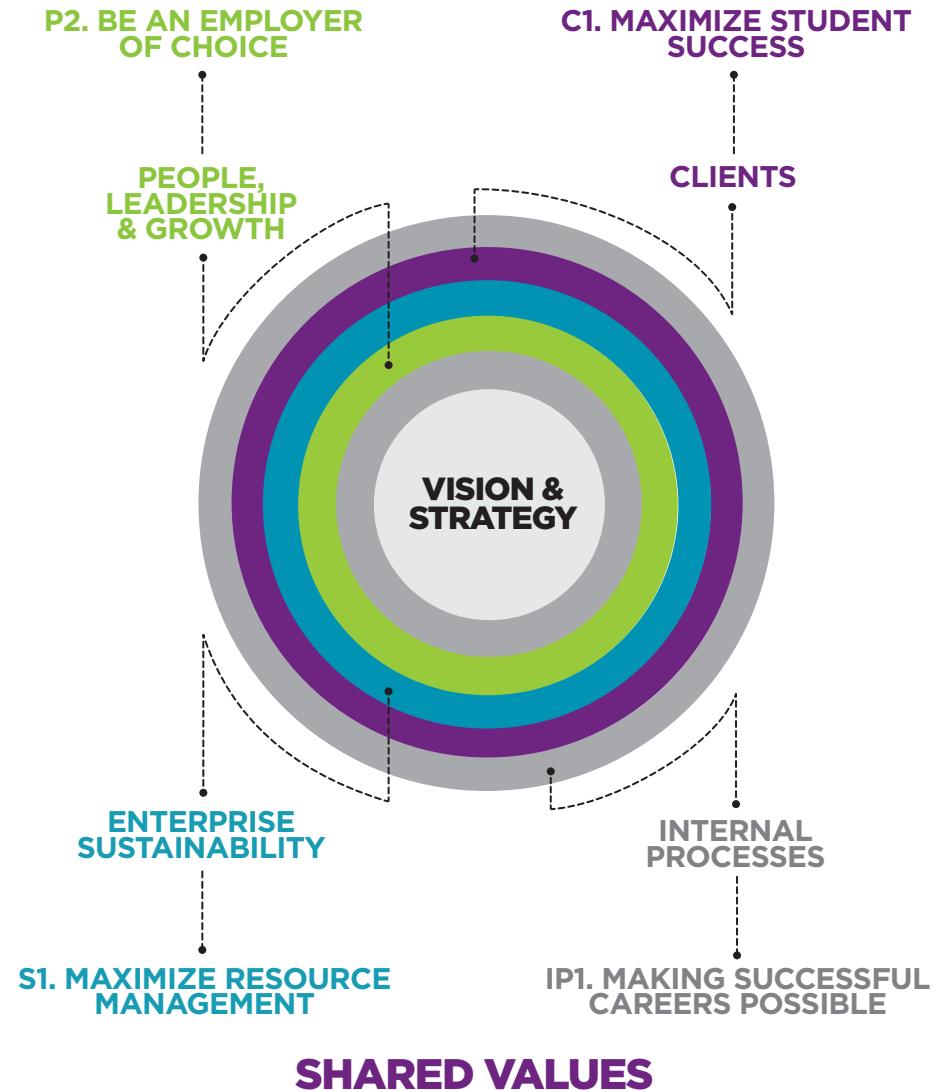
STRATEGIC PRIORITIES & GOALS

As the province managed challenging economic realities in 2014-15, Saskatchewan Polytechnic looked to make financially sustainable decisions throughout its planning processes and operations. The institution balanced the need to make progress on key strategic initiatives with minimizing costs while maximizing resources.

While Saskatchewan Polytechnic has 18 goals and

a broad suite of success measures, senior management adopted a focus-and-finish approach to respond effectively to the fiscal realities facing the institution. The management team selected four goals – one from each of the four balanced scorecard perspectives – to focus the 2015-16 planning cycle. Specific strategic initiatives were employed to position the institution toward achieving its vision for 2020.

For 2015-16 the four goals were:



**MORE UNDERGRADS GRADUATE
FROM SASKATCHEWAN POLYTECHNIC
EACH YEAR THAN FROM ANY OTHER
POST-SECONDARY INSTITUTE
IN THE PROVINCE.**

STRATEGIC INITIATIVES AND GOALS

C1. CLIENTS:

Maximize student success

Saskatchewan Polytechnic knows its students are successful when they realize their academic and employment goals. Saskatchewan Polytechnic is all about maximizing student success.

IP1. INTERNAL PROCESSES:

Making successful careers possible

Saskatchewan Polytechnic is in the business of helping its clients—students and employers—be successful. Its flexible, lifelong learning opportunities allow students and graduates to take charge of their careers and support continuing skills development. Saskatchewan Polytechnic anticipates and responds strategically to employers' programming needs.

P2. PEOPLE, LEADERSHIP AND GROWTH:

Be an employer of choice

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

S1. ENTERPRISE SUSTAINABILITY:

Maximize resource management

Saskatchewan Polytechnic's financial, physical and human resources are used in the most efficient and effective ways possible. Programs and services continually are 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. All faculty and staff at Saskatchewan Polytechnic understands and is committed to their leadership roles and responsibilities.



SASKATCHEWAN POLYTECHNIC IS COMMITTED TO MAXIMIZING STUDENT SUCCESS AND PROVIDING SKILLED GRADUATES TO 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 toward achieving its vision and aligning with the Government of Saskatchewan's long-term strategic direction. Based on four goals selected as the focus for 2015-16, Saskatchewan Polytechnic identified 12 strategic initiatives that enabled the institution to make progress on implementing its strategic plan.

Progress made on the four goals and 12 initiatives is listed below.

C1. CLIENTS: Maximize student success

To educate students and provide skilled and successful graduates.

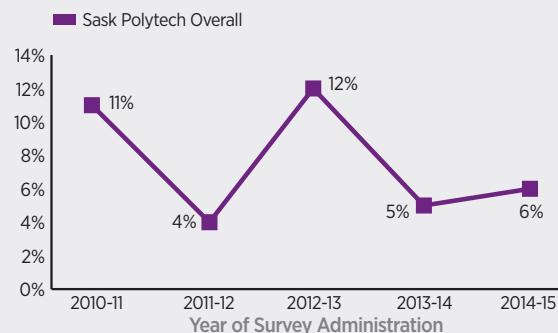
INDIGENOUS STUDENTS

Saskatchewan Polytechnic continued to see an increase in Indigenous enrolment, with more than 18 per cent of the total student population identifying as Indigenous. Saskatchewan Polytechnic supports Indigenous students through a number of initiatives, including the Aboriginal Student Achievement Plan (ASAP).

Saskatchewan Polytechnic's 2015-16 indigenization efforts reflect the calls to action listed in the final report from the Truth and Reconciliation Commission. In November 2015, Saskatchewan Polytechnic approved an Indigenization Declaration to support a commitment to holistically integrate Indigenous ways of knowing, teaching and learning throughout the entire institution. Additional resources were allocated to enhance the various supports made available to Indigenous students. Indigenous language was incorporated into signage and recognition of treaty lands included in email signatures, business cards and speaking engagements.

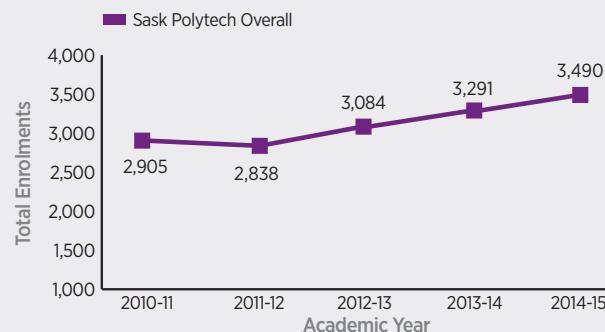
Indigenous graduate employment rate differential: In 2014-15 Indigenous graduates reported an employment rate (88%) that was only six percentage points lower than that for non-Indigenous graduates.

EMPLOYMENT RATE DIFFERENTIAL, NON-INDIGENOUS TO INDIGENOUS RATES



Indigenous headcount program enrolment: Indigenous enrolment was up 6 per cent in 2014-15, following increases of 8.7 per cent in 2012-13 and 6.7 per cent in 2013-14. In 2014-15 there were 3,490 Indigenous program enrolments, totaling 18.3 per cent of the student population. This is in line with the target participation rate of 18 per cent and higher than the proportion of Indigenous students of working age (15-64 years) in Saskatchewan's population, which is approximately 14 per cent.

INDIGENOUS HEADCOUNT PROGRAM ENROLMENT



STUDENT SUCCESS PERFORMANCE INDICATORS SUPPORT

In support of strategic decision-making, performance management, continuous improvement and enhanced service delivery, Saskatchewan Polytechnic undertook an assessment of information and reporting requirements to establish a multi-year roadmap focused on providing improved access to data and information. We also participated and contributed to the Ministry's performance indicators initiatives designed to enhance data and information across the post-secondary sector.

96%

of grads rate
program quality
as satisfied to
very satisfied.

IP1. INTERNAL PROCESSES: Making successful careers possible

BACCALAUREATE DEGREE PROGRAMS

Saskatchewan Polytechnic has begun the planning process to develop and create new academic programs, including degree programs, that cover a wide field of professional specialties, skills and trades. Because degree programs require approval from the Ministry of Advanced Education, Saskatchewan Polytechnic developed a new faculty position to facilitate, implement and manage the approval process for the degree programs. This position will be the main liaison between Saskatchewan Polytechnic, the Ministry of Advanced Education and the Saskatchewan Higher Education Quality Assurance Board.

POWER ENGINEERING TECHNOLOGY PROGRAM CAPACITY

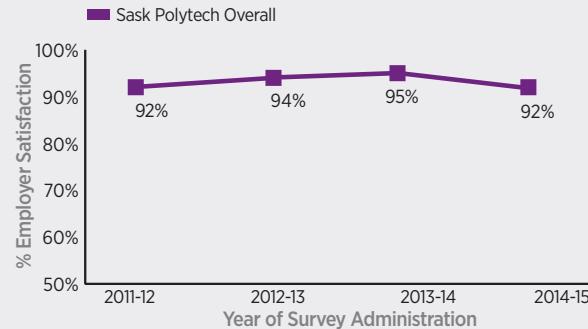
Saskatchewan Polytechnic has developed two strategies to address an increasing demand for power engineers at the fourth-, third- and second-class levels. These strategies will ensure that Saskatchewan Polytechnic grads have the necessary skills to fill positions in places where the province's changing economy needs them.

The first strategy was to increase Saskatchewan Polytechnic's capacity by renovating facilities at both the Saskatoon and the Regina campuses. With generous support from Husky Energy and SaskPower, these renovations were completed in the fall of 2015 and enabled Saskatchewan Polytechnic to deliver power engineering labs year-round at both locations.

The second strategy employed was to develop and deliver Power Engineering Second Class test preparation courses within the Power Engineering program.

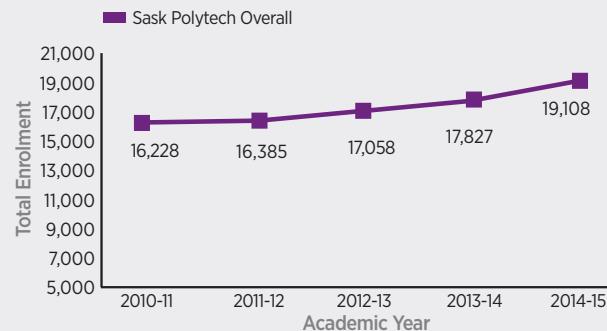
Employer satisfaction: The 2014-15 survey results revealed that 92 per cent of employers were satisfied or very satisfied with the overall preparation of the graduates they hired, which is down by three percentage points from the previous year. This is the lowest satisfaction rate reported since 2011-12 and is below the target of 95 per cent for 2014-15.

EMPLOYER SATISFACTION WITH OVERALL PREPARATION OF GRADUATE (SATISFIED AND VERY SATISFIED)



Program headcount enrolment: Enrolment in Saskatchewan Polytechnic programs has been steadily increasing, driven by demands for apprentices, health care workers and English language training for newcomers. Saskatchewan Polytechnic surpassed its target headcount enrolment projection for the second consecutive year. In 2014-15, program enrolment reached a headcount of 19,108, exceeding the target of 18,200. This is a 7 per cent increase in enrolment over the previous year.

PROGRAM HEADCOUNT ENROLMENT



STRATEGIC INFRASTRUCTURE AND SPACE UTILIZATION STRATEGIC INFRASTRUCTURE

Providing safe and appropriate fit-for-use learning environments is a critical factor in student success. In 2015-16, Saskatchewan Polytechnic continued to have pressing capital needs and facility issues at its Saskatoon campus. It is anticipated Saskatchewan Polytechnic will continue to experience infrastructure constraints in the future.

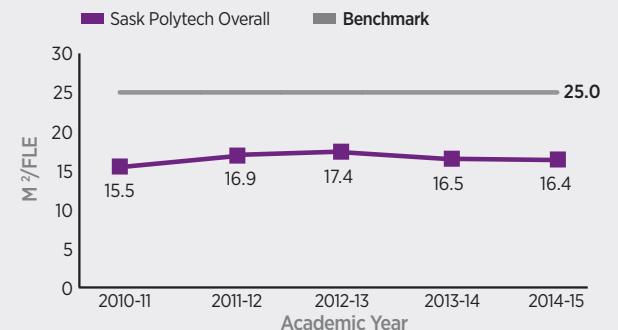
Saskatchewan Polytechnic continued work on the functional development and design of the Saskatoon campus renewal project, as well as to fund project management support. The Saskatoon campus renewal project revolves around the concept of growing a contemporary urban campus with a modern trades and technology complex as its focal point.

While the Saskatoon campus renewal project is the number one priority, aging facilities is an issue at all campus locations. Saskatchewan Polytechnic allocated funding toward master planning for the Moose Jaw campus. Regina and Prince Albert master plans are slated to take place in the future, once the Moose Jaw master plan is complete.

While reviewing overall facility needs, Saskatchewan Polytechnic assessed existing space to ensure it was being used as efficiently and effectively as possible. Progress was made on creating an inventory of classrooms and offices at each campus, documenting size and associated assets such as desks and projectors.

Square meters per FLE student: Enrolment growth continued to put pressure on facilities at all campuses. The square metres per full load equivalent in 2014-15 decreased by 0.6 per cent from the previous academic year, moving further away from the target of 18.6m²/FLE. Serving as a benchmark, the North American colleges' standard is 25m²/FLE.

SQUARE METRES AVAILABLE FOR INSTRUCTIONAL AND NON-INSTRUCTIONAL SPACE PER FLE STUDENT



COLLEGE LIAISON UNIT

A revised organizational structure of continuing education, which affected the college liaison unit, was approved, adopted and implemented. The revised structure took on several new initiatives, including transferring continuing education consultants and their administrative assistants back to their respective school(s) and creating a new director of continuing education position in Learning and Teaching. This new position was created to oversee continuing education policies, procedures and guidelines, and to act as a regional college liaison, engage with other matters that govern continuing education activities and build synergies with the Business Development department.

NEW ACADEMIC MODEL

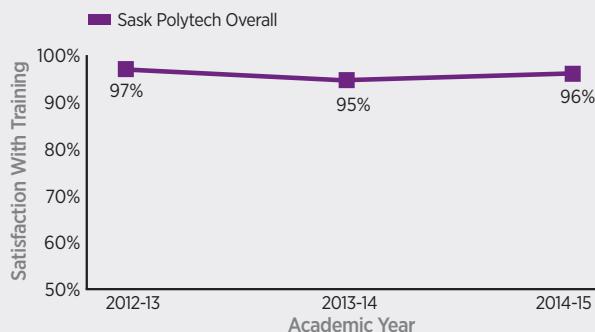
The academic model strategy was completed in June 2016. More than 700 consultations were conducted throughout the 19-month project. Notably, Saskatchewan Polytechnic had six programs go through a pilot phase of transitioning to the new model. The pilot project fine-tuned the model in preparation for the next academic year, when approximately 20 programs will transition to the model.

ACADEMIC RESTRUCTURING

In 2015-16, new Academic Chair positions were created to provide much-needed managerial support to Saskatchewan Polytechnic's schools and programs. Implementation of the positions will be staggered over the next few academic years to ensure integration success. Three schools began implementation in the 2015-16 academic year.

Graduate satisfaction with training: The 2014-15 survey results indicate that 96 per cent of graduates are satisfied or very satisfied with the Saskatchewan Polytechnic training they received. Although this is a one per centage point increase over the last year, it remains below the long-range target of 98 per cent.

GRADUATE SATISFACTION WITH OVERALL QUALITY OF TRAINING (SATISFIED/VERY SATISFIED)



LEARNING ECOSYSTEM

The Learning Technologies department restructured into distinct units to better support program delivery (classroom, online, hybrid, blended) and AV technologies (in-classroom, streaming, video capture). Following some initial testing and pilot projects in June 2016, Learning Technologies plans to provide access to BrightSpace for classrooms for all programs systematically over the course of the 2016-17 academic year.

OFFICE OF APPLIED RESEARCH AND INNOVATION

Saskatchewan Polytechnic engages in applied research and scholarship to better meet the needs of students, employers and communities and to support sustainable economic and social development in the province. In 2015-16, Saskatchewan Polytechnic faculty and students contributed to the development of tangible solutions to real-world problems for both private and public sector employers.

Highlights included:

• Aerial survey project

KBM Resources Group turned to Saskatchewan Polytechnic for help to find out which of two aerial survey methods provide the best proxy for ground-based survey data while maximizing information gain and economic returns. Student researchers compared aerially interpreted data and ground-based information to determine the results. This research is being conducted for the purpose of proposing an alternative solution under the Forest Regeneration Assessment Chapter of the Saskatchewan Environmental Code.

• Recipe for success

A simulation lab "cookbook" created by faculty member Ursula Osteneck has proved very useful in creating realistic effects for health-based simulation scenarios. The cookbook helps educators and students enhance the learning experience by creating realistic bodily fluids and wounds for the simulation "dolls" used in health care training.

• Integrated system development

Computer Systems Technology faculty and students partnered with Lexcom to create a project management, document and workflow integrated system that allows the company to ensure its database design is both scalable and robust. Their work with Lexcom led to two new potential grant opportunities for the coming year.

• Interface for mobile platform

Faculty and students collaborated with Experience First Design Inc. to assist the company in determining the best type of interface to use for a mobile platform

that turns game prototyping tools into commercialized products.

International research collaborations:

- Saskatchewan Polytechnic nursing faculty partnered with North Sichuan Medical College (NSMC) in Nanchong, China, on a Participatory Action Research project. Working with NSMC's nursing program to assist the aging Nanchong population, the team looked at ways to aid seniors who currently are self-managing hypertension. The recently signed Memorandum of Understanding between Saskatchewan Polytechnic and NSMC allows for future partnerships and collaborations with other allied healthcare professionals.
- A nursing faculty member was successful in securing a Collaborative Innovation Development Grant through the Saskatchewan Health Research Foundation. Her project explores the intersections of healthcare leadership, interdisciplinary teams and patient engagement processes.
- An Integrated Resource Management graduate and Geographic Information Science student represented Saskatchewan Polytechnic at the Colleges and Institutes Canada Applied Research Student Showcase in March 2016 to present applied research work on the genetic analysis of dragonflies.
- During the Academic Leadership Workshop in May 2016, the Office of Applied Research and Innovation proudly presented its first Student Research Innovation and Scholarship Showcase featuring students from each of Saskatchewan Polytechnic's schools.

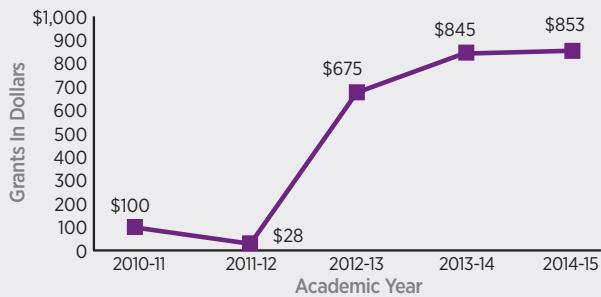
Applied research projects:

Applied research growth has been steady over the last four years. The Office of Applied Research and Innovation has implemented significant initiatives. In the past three years, two new applied research laboratories have been opened with a third one underway, significantly increasing opportunities for industry projects and engaging faculty and students.

DOLLAR VALUE OF EXTERNAL APPLIED RESEARCH GRANTS

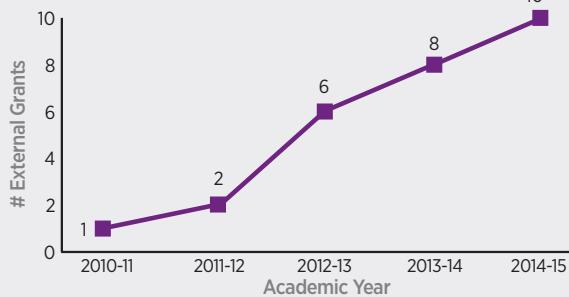
(in thousands of dollars)

■ Sask Polytech Overall



NUMBER OF EXTERNAL APPLIED RESEARCH GRANTS

■ Sask Polytech Overall



Sask Polytech provides employer-driven, student-focused technical education to almost

27,000

students through on-campus and distance learning.



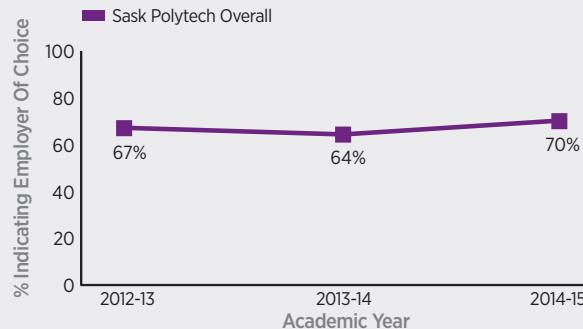
P2. PEOPLE, LEADERSHIP AND GROWTH:
Be an employer of choice

EMPLOYEE ENGAGEMENT

Employee engagement is a cornerstone for Saskatchewan Polytechnic's ability to meet its vision of being a first-choice polytechnic in Canada by 2020. In order to continue educating students to become skilled and successful graduates, faculty and staff need to be committed and engaged in their work. In 2015-16, Saskatchewan Polytechnic saw employee survey participation rates increase by 13 per cent, up from previous years, while still maintaining a relatively consistent score. Survey results have been reviewed and as follow-up, corporate/divisional priorities have been determined. Based on the 2015-16 results, institutional-wide areas of focus included leadership/values/strategic direction, communication, performance management/learning and development, reward management/staffing and harassment/bullying prevention. The survey will continue to be administered annually.

Employer of choice: The results of the 2014-15 employee engagement survey show an increase of 6 per cent from the previous year. In 2014-15, 70 per cent of employees agreed Saskatchewan Polytechnic is an employer of choice.

EMPLOYEE ENGAGEMENT SURVEY - SASK POLYTECH IS AN EMPLOYER OF CHOICE



S1. ENTERPRISE SUSTAINABILITY:
Maximize resource management

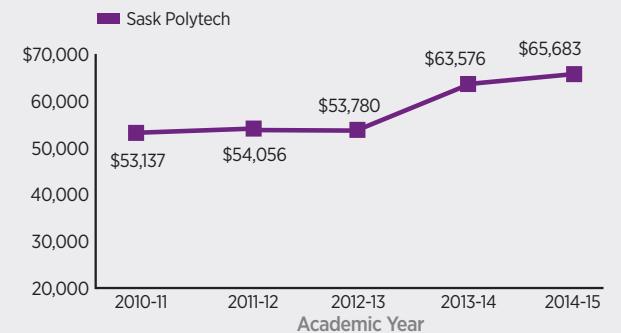
ENHANCE AND DIVERSIFY FUNDING SOURCES

Saskatchewan Polytechnic continued to explore opportunities to contribute to ongoing financial sustainability throughout 2015-16. Along with a variety of events including campus tours with industry partners, a number of business initiatives were achieved. These included building a business development framework and services list and meeting with potential partners such as the Ministry of Economy and Innovation Saskatchewan.

A new Business Development director began in May 2015, focusing efforts to provide customized corporate training including industry-niche, high-value, technology-driven corporate training and facilitation.

NON-BASE FUNDED ACADEMIC REVENUES

(in thousands of dollars)



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

Saskatchewan Polytechnic is committed to maximizing student success and providing skilled graduates to meet labour market needs. Students and employers remain top priorities as the organization continues to be accountable for delivering accessible, responsive and sustainable programs and services. Saskatchewan Polytechnic works closely with stakeholders to make progress towards achieving its vision and aligning with the Government of Saskatchewan's long-term strategic direction.

Interest in programming continues to grow at a steady pace, with applications for certificate, diploma and degree programs increasing by approximately 4 per cent to 14,458 in 2014-15. Enrolment also has increased over the past five academic years, having jumped 17 per cent since 2010-11. Basic Education program enrolment increased by 8 per cent in 2014-15, driven by continued demand for language instruction and literacy for new Canadians. Indigenous enrolments are steadily increasing, growing 6 per cent in 2014-15, to nearly 3,500 students. On-campus student visa enrolments grew 19 per cent to 324 enrolments in programs such as Business, Computer Networking Technician and Early Childhood Education.

STRATEGY MANAGEMENT

A clear vision is a critical aspect of the planning, decision-making and accountability processes for all organizations. Saskatchewan Polytechnic has adopted a strategic planning system that combines forward-looking, long-term strategic planning, annual multi-year planning and annual reporting, which is integrated into every level of the organization. To ensure the institution demonstrates accountability to its diverse group of stakeholders, a balanced scorecard framework has been adopted.

To provide a clear line of sight from performance plans to the strategic plan, institutional priorities are set and are then focused into individual performance objectives. Financial results, performance indicators and institutional risks are reported annually to monitor progress and provide comprehensive metrics.

ENTERPRISE RISK MANAGEMENT

Enterprise risk management is an integral part of the strategic planning system. Saskatchewan Polytechnic's risk registry identifies risks and opportunities most likely to impact the institution's ability to achieve its strategic and operational goals.

In 2015-16, Saskatchewan Polytechnic worked closely with its senior management team and board of directors to commence a process to refresh its enterprise risk management system including updating the risk registry. Saskatchewan Polytechnic's risk registry is regularly reviewed by management and the board of directors.

FINANCIAL PERFORMANCE

(dollars in thousands)

In fiscal 2016 Saskatchewan Polytechnic recorded an operating deficit of \$2,217 as presented on the Statement of Operations. Saskatchewan Polytechnic had budgeted for an operating deficit of \$6,801 for the year, resulting in a positive operating variance of \$4,584.

While there are a number of contributing factors that will be discussed, a major theme in the positive variance was savings in salaries and benefits. A portion of the savings were a result of general staff turnover as well as delays in proceeding with new initiatives due to the 2016 budget not being approved until early December. There were also two situations unrelated to staffing levels that resulted in positive salary variances in 2016:

- The Workers' Compensation Board (WCB) of Saskatchewan is returning a surplus to Saskatchewan employers. Saskatchewan Polytechnic received a disbursement in July 2015 and has accrued for additional upcoming scheduled disbursements.
- In 2015 an accrual was made to estimate the cost to settle claims related to a longstanding non-permanent employee pension lawsuit. While the estimate used in 2015 was based on the best available information at the time, the deadline for individuals to submit claims has now passed and as a result the accrual for the estimated cost has been reduced substantially. Payments to successful claimants are expected to be made prior to the end of the 2016 calendar year.

Additionally, the following factors resulted in operating results varying significantly from budget:

- The School of Nursing contributed to the positive variance, particularly in salary savings as well as tuition fees related to the combined degree program with the University of Regina.
- Student Services contributed salary savings due to vacancies as well as overall savings in international education. Application and administration fees earned were also greater than budget.

- Various areas in Administrative Services experienced positive salary variance due to vacancies.
- There were operating surpluses related to grants and donations intended for capital purchases that are offset in the net capital results.
- Partially offsetting these positive variances was an overall negative variance in continuing education, primarily in the School of Transportation as well as the School of Human Services and Community Safety.

Various surpluses were a result of delays in proceeding with 2016 initiatives due to the delayed budget approval. It is anticipated that funds related to these initiatives will be carried forward to 2017.

Saskatchewan Polytechnic budgeted a capital surplus of \$5,109. The budgeted capital surplus was the net result of budgeted amortization of \$11,504 less planned capital expenditures of \$6,395. The actual capital surplus was \$3,904, resulting in a negative variance of \$1,205. As discussed above, a portion of the negative capital variance was funded through the positive operating variance due to grants and donations targeted for capital purchases. The capital surplus represents a reduction in the value of Saskatchewan Polytechnic's tangible capital assets, as detailed in Note 11 of the financial statements.

Since Saskatchewan Polytechnic's annual operating results include the receipt and utilization of grants that are restricted in their use, the net contribution to the unrestricted operating surplus includes an adjustment for these restricted funds in addition to the capital surplus netted with the operating deficit. Overall the net increase to Saskatchewan Polytechnic's unrestricted operating surplus was \$2,059 during the year to result in an ending balance of \$8,121. This represents a positive variance of \$3,751 from the budgeted draw of \$1,692. The unrestricted operating surplus balance is the cumulative result of annual operating and capital surpluses and deficits, adjusted for any portions that are externally restricted in their use. The unrestricted operating surplus represents funds where Saskatchewan Polytechnic has discretion in determining their future use. Note 12 of the financial statements provides further detail on the unrestricted operating surplus calculation.

An overall deficit budget has again been projected for 2017, which will reduce the unrestricted operating surplus over the course of the upcoming year. Further reductions will also result from the carry forward of capital and operating amounts that were budgeted for 2016, but not expended prior to year-end.

HIGHLIGHTS: ACTUAL 2016 COMPARED TO 2015 (dollars in thousands)

The operating deficit for 2016 was \$2,217, compared to a deficit of \$6,706 for 2015. A discussion of the variances by main revenue category and expenses by function follows:

- Grant and contractual services revenues increased by \$2,979 or 1.5% from 2015. The following sources of revenue varied most significantly from 2015:
 - Revenue from the Government of Saskatchewan increased due to the base operating grant increase of 1.5% effective April 1, 2015, as well as an additional .5% effective April 1, 2016. There were also increases in Adult Basic Education funding, in the Preventative Maintenance and Renewal funding and to the accommodation grant to offset an increase in accommodation expense. Increased activity with the Saskatchewan Apprenticeship and Trade Certification Commission also contributed to the increase. Offsetting these increases was the suspension of the Saskatchewan Innovation and Opportunity Scholarship funding for 2016.
 - Government of Canada revenue increased due to a budgeted increase in the Language Instruction for Newcomers to Canada (LINC) contract as well as new contracts with the federal government for applied research contracts. This increase was partially offset by a decrease in international project activity.
- Tuition and fees increased by \$2,936 or 9.1%. An approved core tuition increase of 3.97% contributed to this increase as well as did an increase in international education tuition and the implementation of a technology fee. Application and administration fees also contributed to the variance.
- Sales increased by \$1,025 or 9.7% primarily due to increased bookstore sales as well as parking fees due to increased rates. Cafeteria sales also increased over the prior year.
- Donation revenue decreased by \$676 or 27.8% primarily due to a significant bequest recognized in 2015.
- Academic program expenses increased by \$2,127 or 1.4%. Collective Bargaining Agreement (CBA) increases contributed to the increase as well as increased apprenticeship activity. Although salaries and benefits had the most significant increase, there were lesser increases in a number of expense categories. In the latter half of 2015 Saskatchewan Polytechnic, along with most provincial entities, implemented a number of fiscal restraint measures. These fiscal restraint measures were a significant factor in reducing 2015 expenditures and as a result, increases were seen in 2016 as expenditure levels returned to a normal level.

- Expenses in Student Services increased by \$2,170 or 14.9%, again, primarily in salaries. Student Services had a number of new initiatives in 2015 that were on hold due to the fiscal restraints discussed above and in 2016 the division was able to proceed as budgeted. Also, due to the restructuring of Saskatchewan Polytechnic's former School of Adult and Career Education, a number of counsellor positions moved from Academic programs to Student Services. As is the case throughout Saskatchewan Polytechnic, the CBA increases were also a factor.
- Administration expenses decreased by \$3,391 or 10.2%. The Administration grouping includes unbudgeted organization-wide salary savings related to the previously discussed disbursement of the WCB surplus as well as the reduction in the accrued liability related to the non-permanent employee pension lawsuit liability. The accrued liability related to the non-permanent employee pension lawsuit liability created a significant variance from 2015 to 2016 due to the initial liability being recorded in 2015 followed by a reduction to that liability being recorded in 2016. As with the divisions above, CBA increases, as well as the removal of fiscal restraints that were in place for 2015 resulted in expenses increasing in 2016 and partially offset the savings above.
- Facilities expenses increased by \$533 or 1.6% due to additional instructional space acquired in Saskatoon. An accrual was also included related to a Goods and Services Tax (GST) audit that may result in a reduced GST rebate that would impact the rent paid to the Ministry of Central Services for Saskatchewan Polytechnic's buildings.
- Ancillary expenses increased by \$550 or 6.2%. The bookstores were the most significant contributor with increased cost of sales but the cafeterias also experienced increased salary expenses.

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

The operating deficit of \$2,217 in 2016 compares to a planned operating deficit of \$6,801. The main factors contributing to this positive 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 \$2,997 or 1.5%. This is broken down as follows:
 - Revenue from the Government of Saskatchewan was less than planned due to the suspension of the Saskatchewan Innovation and Opportunity Scholarship funding in 2016. Additionally, a budgeted funding increase effective April 1, 2016 did not materialize. Partially offsetting these negative variances was an increase in activity with the Saskatchewan Apprenticeship and Trade Certification Commission.
- Government of Canada revenue was less than anticipated primarily due to receiving fewer contracts for international projects through the federal government than planned. Partially offsetting this reduction were applied research contracts with the federal government that were not planned for in the budget.
- The majority of the revenue from other governments are not included in the budget; funds are received as projects arise and are completed on a close to breakeven basis.
- 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 \$2,038 or 6.1% primarily due to core tuition being greater than projected, particularly in the School of Nursing, as well as the School of Health Sciences and the School of Mining, Energy and Manufacturing. Application and administration fees also contributed to the variance.

A portion of the positive variance was due to continuing education activity budgeted as contractual services actually occurring as fees revenue. Partially offsetting the positive variance was a shortfall in international tuition; although international education fees increased from 2015, the budget also increased and was not fully realized.

- Sales were greater than budget by \$801 or 7.4% with cafeteria, printing and bookstore sales all contributing significantly to the variance. A negative variance in parking revenue partially offset this positive variance; although parking revenue increased from 2015, it did not meet the 2016 budget.
- Donation revenue exceeded budget by \$814 or 86.6%; a significant portion was targeted for capital purchases.
- Academic program expenses were less than budget by \$1,699 or 1.1%. Continuing education activity not meeting budgeted activity levels contributed to this variance. Salary savings, particularly in the School of Nursing's core operations, were also contributing factors.
- Expenses in Student Services were less than budget by \$728 or 4.2% primarily due to vacancies as well as less travel than anticipated.
- Strategy and Business development contributed a \$667 or 6.6% positive expense variance, the majority of which was due to decreased international project activity. There were additional savings in services due to the Saskatoon Campus fundraising campaign not proceeding during the year.
- Administration expenses were less than budget by \$3,064 or 9.3%. As previously discussed, the Administration grouping includes unbudgeted organization-wide salary savings as a result of the previously discussed disbursement of the WCB surplus as well as the reduction in the accrued liability related to the non-permanent employee pension lawsuit liability. Also contributing were vacancies in Human Resources, Financial Services and Information Technology Services.
- Facilities expenses were greater than budget by \$770 or 2.3% due to additional instructional space utilized in Saskatoon during the year. An accrual was also included related to a Goods and Services Tax (GST) audit that may result in a reduced GST rebate that would impact the rent paid to the Ministry of Central Services for Saskatchewan Polytechnic's buildings.
- Ancillary expenses were over budget by \$1,053 or 12.7%. This negative variance partially offsets increased cafeteria and bookstore sales.

HIGHLIGHTS: PLAN 2017

(dollars in thousands)

For 2017 Saskatchewan Polytechnic is budgeting an overall deficit of \$1,970, consisting of an operating deficit of \$6,539 and a \$4,569 capital surplus. This compares to an overall budgeted deficit of \$1,692 in 2016.

The most significant areas of anticipated change from the 2016 budget to 2017 are:

- Grant revenue and contractual services are budgeted to decrease by \$400 or 0.2%. Grant revenue is expected to increase primarily due to an increase in the accommodation grant to offset an increase in accommodation expense. This is offset by an overall reduction in expected contractual services revenue by \$1,778 or 4.8% this is partially due to a projected reduction in apprenticeship activity. In addition, there is a decrease in projected contract revenues from continuing education activity across multiple schools as the budgeted ratio of revenue between contractual services and tuition and fees has shifted.
- Tuition and fees are anticipated to increase by \$2,000 or 6.0% primarily due to increased tuition projections from continuing education activity in the schools of Business, Health Sciences, Construction, and Transportation. The approved tuition increase of 3.96% also contributes to the projected increase.
- Academic Programs expense is expected to increase by \$544 or 0.4%. The wage increases included in the CBA for the Saskatchewan Polytechnic Faculty Association is the primary factor for the increase in addition to increased salaries related to the Medical Laboratory Technology expansion. Partially offsetting this is a reduction in amortization expense as a result of a decline in spending on capital projects over the years and assets being fully amortized.

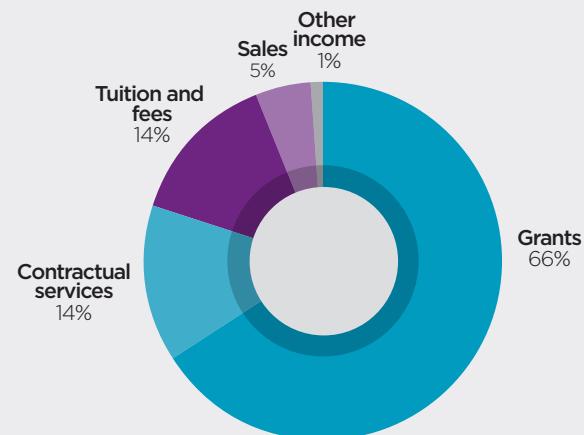
CAPITAL SPENDING SUMMARY

(dollars in thousands)

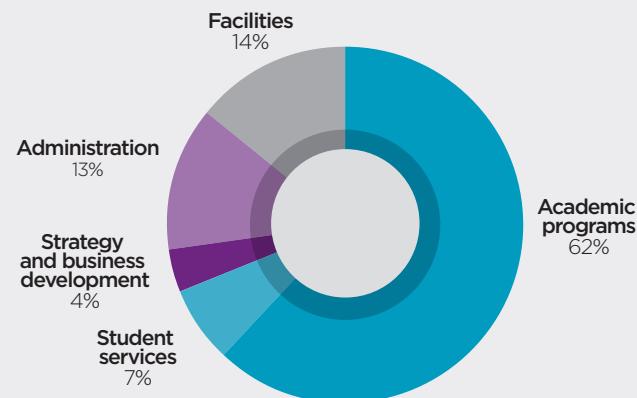
In 2016 Saskatchewan Polytechnic acquired capital assets totalling \$7,176 funded via operating funds designated for capital replacement, provincial and federal capital funding as well as private donations. This is compared to a budget of \$6,395 for capital expenditures. There was a significant amount of unspent capital budget from 2015 approved for carry forward to 2016. Additionally, some specific operating surpluses due to grants and donations were designated for capital purchases.

The majority of the capital expenditures were made to replace equipment, technology and books.

2016 ACTUAL OPERATING REVENUE BY SOURCE



2016 ACTUAL OPERATING EXPENSES BY FUNCTION



KEY FINANCIAL RESULTS AND DATA (dollars in thousands)

	2015 ACTUAL	2016 PLAN	2016 ACTUAL	2017 PLAN ¹
Operations				
Annual deficit	\$ (6,706)	\$ (6,801)	\$ (2,217)	\$ (6,539)
Revenue:				
Grants and contractual services	194,506	200,482	197,485	200,082
Tuition and fees	32,432	33,321	35,359	35,321
Sales	10,584	10,808	11,609	11,315
Expenses:				
Academic programs	147,309	151,135	149,436	151,679
Student services	14,534	17,432	16,704	17,674
Strategy and business development	9,762	10,048	9,381	10,250
Administration	33,302	32,975	29,911	33,396
Facilities	33,891	33,654	34,424	33,564
Ancillary	8,812	8,309	9,362	8,767
Financial Position				
Unrestricted operating surplus	\$ 6,062	\$ 4,370	\$ 8,121	\$ 5,524
Financial assets	30,101	25,712	34,093	26,801
Liabilities	27,074	23,792	28,567	23,577
Net financial assets	3,027	1,920	5,526	3,224
Tangible capital assets	73,436	68,327	69,428	65,068
Accumulated surplus	78,035	71,234	75,818	69,279

¹ Based on the 2016-19 Multi-Year Business Plan, adjusted for 2016 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 30, 2016



PROVINCIAL AUDITOR
of Saskatchewan

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, 2016, 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, 2016, 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 30, 2016

Judy Ferguson, FCPA, FCA
Provincial Auditor
Regina, Saskatchewan
September 30, 2016

STATEMENT OF FINANCIAL POSITION

As at June 30, 2016 (in thousands of dollars)

	NOTE	2016	2015
Financial assets			
Cash and cash equivalents	3	\$ 21,182	\$ 19,270
Accounts receivable	4	6,078	4,477
Inventories for resale	5	3,858	3,302
Portfolio investments	6	2,975	3,052
		34,093	30,101
Liabilities			
Accounts payable and accrued liabilities		3,312	2,574
Salaries and benefits payable		10,374	12,098
Employee future benefits	7	3,002	3,114
Debt	9	1,177	1,281
Deferred revenue	10	10,702	8,007
		28,567	27,074
Net financial assets		5,526	3,027
Non-financial assets			
Tangible capital assets	11	69,428	73,436
Prepaid expenses		864	1,572
		70,292	75,008
Accumulated surplus	12	\$ 75,818	\$ 78,035
Contractual obligations and contingencies	13		

Approved on behalf of the board of directors:

Ralph Boychuk,
Chair

Garry Benning,
Audit Committee Chair

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

STATEMENT OF OPERATIONS

For the year ended June 30, 2016 (in thousands of dollars)

	BUDGET	2016	2015
	(Note 16)		
Revenue			
Grants and contractual services:			
Government of Saskatchewan	\$ 187,855	\$ 187,332	\$ 184,898
Government of Canada	8,471	7,862	6,793
Other governments	26	576	858
Non-government	4,130	1,715	1,957
Tuition and fees	33,321	35,359	32,423
Sales	10,808	11,609	10,584
Donations	940	1,754	2,430
Investment income	649	313	457
Other income	552	481	504
	246,752	247,001	240,904
Expense (Note 14)			
Academic programs	151,135	149,436	147,309
Facilities	33,654	34,424	33,891
Administration	32,975	29,911	33,302
Student services	17,432	16,704	14,534
Strategy and advancement	10,048	9,381	9,762
Ancillary	8,309	9,362	8,812
	253,553	249,218	247,610
Annual deficit	(6,801)	(2,217)	(6,706)
Accumulated surplus, beginning of year	78,035	78,035	84,741
Accumulated surplus, end of year	\$ 71,234	\$ 75,818	\$ 78,035

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended June 30, 2016 (in thousands of dollars)

	BUDGET	2016	2015
	(Note 16)		
Net financial assets at beginning of year	\$ 3,027	\$ 3,027	\$ 7,289
Changes during the year:			
Annual deficit	(6,801)	(2,217)	(6,706)
Acquisition of tangible capital assets	(6,395)	(7,073)	(8,105)
Tangible capital asset donations received	-	(103)	(226)
Proceeds on disposal of tangible capital assets	-	64	27
(Gain) loss on disposal of tangible capital assets	-	(38)	36
Amortization of tangible capital assets	11,504	11,158	11,297
Utilization (acquisition) of prepaid expenses, net	585	708	(585)
	(1,107)	2,499	(4,262)
Net finance assets, end of year	\$ 1,920	\$ 5,526	\$ 3,027

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

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016 (in thousands of dollars)

	NOTE	2016	2015
Operating transactions			
Annual deficit		\$ (2,217)	\$ (6,706)
Items not affecting cash:			
Amortization of tangible capital assets		11,158	11,297
Tangible capital asset donations received		(103)	(226)
(Gain) loss on disposal of tangible capital assets		(38)	36
Unrealized loss (gain) on portfolio investments		42	(164)
Decrease in employee future benefits liability	7	(112)	(51)
Net increase in non-cash operating balances	15	260	2,467
		8,990	6,653
Capital transactions			
Acquisition of tangible capital assets		(7,073)	(8,105)
Proceeds on disposal of tangible capital assets		64	27
		(7,009)	(8,078)
Investing transactions			
Proceeds on disposition of portfolio investments		344	516
Acquisition of portfolio investments		(309)	(766)
		35	(250)
Financing transactions			
Debt repayments		(104)	(130)
		(104)	(130)
Net increase (decrease) in cash and cash equivalents		1,912	(1,805)
Cash and cash equivalents, beginning of year		19,270	21,075
Cash and cash equivalents, end of year		\$ 21,182	\$ 19,270

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (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 postsecondary 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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

3. CASH AND CASH EQUIVALENTS

	2016	2015
Cash	\$ 21,077	\$ 19,160
Cash equivalents	105	110
	\$ 21,182	\$ 19,270

4. ACCOUNTS RECEIVABLE

	2016	2015
Corporate	\$ 644	\$ 821
Federal government	3,321	2,477
Provincial government and related entities	1,951	972
Student	129	163
Other	126	144
Less provision for doubtful accounts	(93)	(100)
	\$ 6,078	\$ 4,477

5. INVENTORIES FOR RESALE

	2016	2015
Bookstores	\$ 3,724	\$ 3,171
Food services	56	61
Shop and service supplies	78	70
	\$ 3,858	\$ 3,302

The cost of inventory sold and recognized as an expense during 2016 was \$6,642 (2015 - \$6,168) and includes inventory write-downs of \$49 (2015 - \$62). There were no reversals of write-downs of inventory made in prior periods. As of June 30, 2016, 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.

	2016	2015
Equities and equity mutual funds	\$ 1,858	\$ 1,916
Bonds and bond mutual funds	1,117	1,136
	\$ 2,975	\$ 3,052

The portfolio investments had a return of 0.72% in 2016 (2015 - 7.03%).

At June 30, 2016, the individual bond portfolio had a weighted average effective yield of 1.00% (2015 - 0.88%) with maturity dates ranging from less than one year to four years (2015 - less than one year to five 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (in thousands of dollars)

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:

	2016	2015
Actuarial valuation date	June 30, 2014	June 30, 2014
Extrapolation date	June 30, 2016	June 30, 2015
Significant long-term assumptions used:		
Salary escalation (excluding step increases)	2.00%	2.00%
Discount rate	2.00%	2.20%
Estimated average remaining service life	9 years	9 years
Liability for employee future benefits:		
Accrued benefit obligation, beginning of year	\$ 3,341	\$ 3,278
Current period benefit cost	228	263
Interest cost	74	103
Benefit payments	(448)	(436)
Actuarial loss	43	133
Accrued benefit obligation, end of year	3,238	3,341
Unamortized net actuarial loss	(236)	(227)
Liability for employee future benefits	\$ 3,002	\$ 3,114
Employee future benefits expense:		
Current service cost	\$ 228	\$ 263
Interest cost on benefits	74	103
Amortization of net actuarial loss	34	19
Total employee future benefits expense	\$ 336	\$ 385

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 \$9,927 (2015 - \$9,895) 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 16,000 active members, of which six are employees of Saskatchewan Polytechnic.

9. DEBT

	2016	2015
RBC revolving bankers' acceptance loan	\$ 1,177	\$ 1,281

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, 2016 was 1.19% (annualized) and included a 0.30% stamping fee (2015 - 1.30% and 0.30%). Interest expense on the BAs for the year was \$14 (2015 - \$22).

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%. Interest expense for the year on line of credit debt was nil (2015 - nil).

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

2017	\$ 104
2018	104
2019	104
2020	104
2021	104
Thereafter	657
	\$ 1,177

10. DEFERRED REVENUE

	OPENING BALANCE 2015	RECEIPTS DURING YEAR	RECOGNIZED AS REVENUE	ENDING BALANCE 2016
Grants and contractual services:				
Government of				
Saskatchewan	\$ 174	\$ 187,293	\$ (187,332)	\$ 135
Government of Canada	197	7,665	(7,862)	-
Other governments	-	581	(576)	5
Non-government	-	1,716	(1,715)	1
Tuition and fees	2,761	37,565	(35,359)	4,967
Donations	4,875	2,473	(1,754)	5,594
	\$ 8,007	\$ 237,293	\$ (234,598)	\$ 10,702

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (in thousands of dollars)

11. TANGIBLE CAPITAL ASSETS

	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE & EQUIPMENT	COMPUTERS & SOFTWARE	LIBRARY	2016 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

	LAND	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE & EQUIPMENT	COMPUTERS & SOFTWARE	LIBRARY	2015 TOTAL
Cost:							
Opening balance	\$ 6,212	\$ 9,549	\$ 64,764	\$ 66,627	\$ 17,631	\$ 5,471	\$ 170,254
Additions	-	-	2,216	3,937	1,855	324	8,332
Disposals	-	-	-	(807)	(1,429)	-	(2,236)
Closing balance	6,212	9,549	66,980	69,757	18,057	5,795	176,350
Accumulated amortization:							
Opening balance	-	1,090	28,538	46,366	13,327	4,468	93,789
Amortization	-	339	3,904	4,452	2,221	381	11,297
Disposals	-	-	-	(752)	(1,420)	-	(2,172)
Closing balance	-	1,429	32,442	50,066	14,128	4,849	102,914
Net book value	\$ 6,212	\$ 8,120	\$ 34,538	\$ 19,691	\$ 3,929	\$ 946	\$ 73,436

At June 30, 2016, the tangible capital asset balance included capital assets under development of \$379 (2015 - \$2,062).

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 \$103 (2015 - \$226).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (in thousands of dollars)

12. ACCUMULATED SURPLUS

a. Composition of accumulated surplus

	2016	2015
Investment in tangible capital assets	\$ 68,251	\$ 72,155
Prince Albert campus student housing reserve	693	612
Unfunded employee future benefits	(3,002)	(3,114)
Restricted government transfers	1,755	2,320
Unrestricted operating surplus	8,121	6,062
Accumulated surplus	\$ 75,818	\$ 78,035

b. Investment in tangible capital assets

	2016	2015
Tangible capital assets	\$ 69,428	\$ 73,436
Debt	(1,177)	(1,281)
Investment in tangible capital assets	\$ 68,251	\$ 72,155

c. Change in unrestricted operating surplus

	2016	2015
Unrestricted operating surplus, beginning of year	\$ 6,062	\$ 9,179
Annual deficit	(2,217)	(6,706)
Decrease in investment in tangible capital assets	3,904	2,899
Increase in Prince Albert Campus student housing reserve	(81)	(83)
Decrease in employee future benefits liability	(112)	(51)
Decrease in restricted government transfers	565	824
Unrestricted operating surplus, end of year	\$ 8,121	\$ 6,062

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
2017	\$ 31,451	\$ 2,165	\$ 33,616
2018	32,080	690	32,770
2019	32,722	532	33,254
2020	33,376	383	33,759
2021	34,044	383	34,427

b. Capital projects

The estimated cost to complete major capital projects in progress at June 30, 2016 is approximately \$435 (2015 - \$337).

c. Non-permanent employee pension settlement

A liability of \$1,100 (2015 - \$2,000) has been recorded for 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. The deadline for submitting claims under the settlement agreements signed with the Saskatchewan Polytechnic Faculty Association and the Saskatchewan Government Employees Union was September 30, 2015. After reviewing the claims submitted, management reduced its estimate of the amount required to settle individual claims by \$900. Management's estimate includes assumptions regarding the number of valid claims received and the amount awarded to successful claimants. These assumptions are based on a review of claims received, analysis of Saskatchewan Polytechnic's historical payroll data, and the prior experience of other government entities in settling similar claims. It is expected that successful claimants will receive any compensation owing under the agreements during the fiscal 2017 year.

d. 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, 2016, no amount, aside from that related to the non-permanent employee pension settlement, has been accrued (2015 - nil) for outstanding legal claims that management has determined meet the criteria for recording a liability under PSAS.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016 (in thousands of dollars)

14. EXPENSE BY OBJECT

	BUDGET		
	2016	2016	2015
Salaries and benefits (Notes 7, 8 and 13)	\$ 174,620	\$ 170,057	\$ 171,506
Facilities	31,973	32,481	31,564
Services	15,936	15,007	14,029
Materials and supplies	6,830	6,495	6,076
Cost of goods sold	5,782	6,642	6,168
Amortization (Note 11)	11,504	11,158	11,297
Travel and professional development	3,736	4,019	3,437
Equipment rental and repairs	1,368	1,489	1,446
Scholarships and awards	1,804	1,908	2,051
(Gain) loss on disposal of capital assets	-	(38)	36
	\$ 253,553	\$ 249,218	\$ 247,610

15. NET CHANGE IN NON-CASH OPERATING BALANCES

	2016	2015
Accounts receivable	\$ (1,601)	\$ 4,733
Inventories for resale	(556)	(544)
Accounts payable and accrued liabilities	738	91
Salaries and benefits payable	(1,724)	(1,340)
Deferred revenue	2,695	112
Prepaid expenses	708	(585)
	\$ 260	\$ 2,467

16. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and reflect the 2015-18 Multi-year Business Plan, approved by the Board of Directors on October 23, 2015.

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, 2016, 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 \$187,332 (2015 - \$184,898) 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 which approximate prevailing market prices under normal trade terms. Transactions during the year, and amounts outstanding at year end, are as follows:

	2016	2015
Accounts receivable	\$ 1,951	\$ 521
Accounts payable and accrued liabilities	815	329
Acquisition of tangible capital assets	1,247	2,498
Non-grant and non-contractual services revenue	8,663	6,183
Expenses	37,052	36,612

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

19. COMPARATIVE FIGURES

Certain 2015 figures have been reclassified to conform to the presentation adopted in the 2016 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. Reg Urbanowski (July 2015 – March 2016),
Dr. Dennis Johnson (March 2016 – June 2016), Vice-President,
Strategy & Advancement (acting)

ASSOCIATE VICE-PRESIDENTS

Business Development: Colin Rush
Communications & Marketing: Barb McGrath
Facilities Management: Jeff Chow
Financial Services: Cheryl Schmitz
Human Resources: Terence Carswell
Information Technology Services: Garth McCormick
Learning & Teaching: Arnold Boldt
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
School of Animal and BioSciences: Lynda Kushnir Pekarul,
Dean and Kathy Dreher, Associate Dean
School of Business: Faye McKay, Dean (acting) and
Doug Rempel, Associate Dean (acting)
School of Construction: John Erickson, Dean (acting)
and Dan Duperreault, Associate Dean (acting)
School of Health Sciences: Lynda Kushnir Pekarul, Dean and
Kathy Dreher, Associate Dean
School of Hospitality and Tourism: Nancy Dill, Dean and
Julian Tomlinson, Associate Dean
School of Human Services and Community Safety:
Nancy Dill, Dean and Julian Tomlinson, Associate Dean

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: John Erickson, Dean (acting)
and Dan Duperreault, Associate Dean (acting)

DIRECTORS

Aboriginal Strategy: Jason Seright
Applications & Business Services: Tiffany Simister
Applied Research: Dr. June Anonson (acting)
Business Process Solutions: Lawrence Boehm
Centre for Minerals Innovation: Joni Brisbin
Client & Infrastructure Services: Raymond Saunders
Donor & Alumni Relations: Pam McLellan
Employee Relations: Don Soanes
Enterprise Risk Management: Vacant
Financial Operations: Patrick Heal
Financial Planning: Sean Engemoen
Health, Safety & Security: Wally Hurlbert
HR Strategy Development: Betty Mutwiri
Human Resource Advisory Services: Deirdre Marshall
Instructional & Leadership Development Centre: Rod Goertzen
International Projects: Angela Wojcichowsky
Learning Technologies: Brenda Suru (acting)
Library Services: Rian Misfeldt
Registrar: Kathy Larsen
Saskatoon Campus Renewal: vacant, project manager
Strategic Enrolment Management: Lisa Shepard
Strategy: Lucy Pereira
Student Development: Martine Gauthier

NOTES

Design: Sara Snodgrass, Saskatchewan Polytechnic
Communications & Marketing

Photography: Tom Bartlett, Saskatchewan Polytechnic
Communications & Marketing and David Stobbe,
Stobbe Photography

Project Manager/Editor: Brianna Bergeron, Saskatchewan
Polytechnic Communications & Marketing

Proofreader: Wanda Drury, Green Line Editing – Writing –
Proofreading

Writer: Jane Caulfield, Saskatchewan Polytechnic
Communications & Marketing



MOOSE JAW CAMPUS

Saskatchewan St and 6th Ave NW
PO Box 1420
Moose Jaw SK S6H 4R4

PRINCE ALBERT CAMPUS

1100-15th St E
PO Box 3003
Prince Albert SK S6V 7S4

REGINA CAMPUS

4500 Wascana Pky
PO Box 556
Regina SK S4P 3A3

SASKATOON CAMPUS

1130 Idylwyld Dr N
PO Box 1520
Saskatoon SK S7K 3R5

ADMINISTRATIVE OFFICES

400-119 4th Ave S
Saskatoon SK S7K 5X2

CONTACT US:

1-866-467-4278
askaquestion@saskpolytech.ca

saskpolytech.ca



saskpolytech