

**SASKATCHEWAN
POLYTECHNIC**

ANNUAL REPORT

2020-2021



TABLE OF CONTENTS

LETTER OF TRANSMITTAL.....	3
MESSAGE FROM CHAIR.....	4
MESSAGE FROM PRESIDENT & CHIEF EXECUTIVE OFFICER.....	5
INSTITUTIONAL CONTEXT.....	6
STATISTICS.....	11
MANAGEMENT DISCUSSION AND ANALYSIS.....	19
FINANCIAL STATEMENTS.....	39

LETTER OF TRANSMITTAL

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

September 24, 2021

The Honourable Gene Makowsky
Minister of Advanced Education
Government of Saskatchewan
Regina SK S4S 0B3

Dear Minister Makowsky:

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, 2021.

Respectfully submitted,

Mitchell Holash, QC
Chair, Saskatchewan Polytechnic Board of Directors

MESSAGE FROM CHAIR

Throughout the 2020-2021 academic year, Saskatchewan Polytechnic demonstrated resiliency, adaptability and wise stewardship of finances in meeting the challenges posed by the COVID-19 pandemic and a disruptive cybersecurity incident. In both instances, our top priorities were the safety and security of students and the quality of their learning experience.

While campuses remained closed to the public and most programs were delivered in hybrid form throughout the year, Saskatchewan Polytechnic continued to plan and focus on strategic initiatives to achieve our vision of leading the rise of polytechnic education.

The most significant indicator of how well we are achieving our vision and meeting our goals can be found in the success of the students who attend our institution. During the week of June 22, 2021, Saskatchewan Polytechnic celebrated the accomplishments of more than 8,000 students from the graduating classes of 2020 and 2021 during our first-ever online convocation.

We are proud of our reputation for ensuring that learners graduate with the skills necessary to find employment and contribute to the job from day one. As Saskatchewan Polytechnic continues to evolve in the post-pandemic world, our focus will be to lead the rise of polytechnic education by maximizing the success of learners and empowering them to realize their career goals. Doing so will help us create a better Saskatchewan and, ultimately, a better world.

Sincerely,

Mitchell Holash, QC
Chair, Saskatchewan Polytechnic Board of Directors

MESSAGE FROM PRESIDENT & CHIEF EXECUTIVE OFFICER

As with many organizations across Saskatchewan, the COVID-19 pandemic proved to be challenging for Saskatchewan Polytechnic. Much of our instruction was conducted online in 2020-2021, and there were several occasions during the year where we were forced to suspend in-person learning.

If the pandemic were not challenging enough, in October 2020 the institution was also the target of a cybersecurity incident, which impacted our online learning environments, registration systems, website, email, phones, and internal information technology systems.

Despite all of this, I am proud that the institution was able to make remarkable progress in a number of key areas. This included the launch of a new strategic plan, *Leading the Rise*, and our new School of Continuing Education, which will be instrumental in helping Saskatchewan emerge from the pandemic and accelerate the province's economic recovery. As well, we created a number of significant new partnerships, held two significant virtual conferences (the KNOW Conference in March 2021 and THINK: The Future of Work, Innovation and Learning in May 2021), and celebrated our 2020 and 2021 graduating classes through virtual convocation ceremonies.

This would not have been possible without the dedication and support of our incredible faculty and staff and the resilience of our learner community. I would like to take this opportunity to thank them.

Throughout the 2020-2021 academic year, I was reminded of the critical role that Saskatchewan Polytechnic plays in this province as I learned about our graduates on the front lines of the pandemic response. It was humbling to learn about the work they do in health care, transportation, community service and other sectors that keep Saskatchewan healthy and safe.

Our commitment to providing learning opportunities and job-ready graduates that Saskatchewan needs is stronger than ever. For this reason, I am convinced that Saskatchewan Polytechnic will be a catalyst for labour market resilience in the post-pandemic recovery now underway.

Sincerely,

Dr. Larry Rosia
President & CEO

INSTITUTIONAL CONTEXT

Saskatchewan Polytechnic campuses are situated on Treaty 4 and Treaty 6 territories and the traditional homeland of the Métis. Saskatchewan Polytechnic respectfully recognizes the Indigenous peoples of these lands as part of our ongoing commitment to good relations and a reconciled future.

Saskatchewan Polytechnic is the province's primary institution for post-secondary applied education and research, and its only polytechnic. Saskatchewan Polytechnic is a member of Polytechnics Canada, and a proud supporter of the polytechnic education model – applied, hands-on, technical, learner-focused and industry-driven. Through its facilities, networks and industry partners, Saskatchewan Polytechnic provides meaningful solutions to industry problems and accelerates knowledge transfer, enhancing Saskatchewan's productivity and innovation. The institution's graduates are job-ready and equipped with the skills Saskatchewan employers need across multiple sectors. Saskatchewan Polytechnic will continue to ensure that institutional priorities are aligned with the Saskatchewan Growth Plan and the priorities of the Ministries of Advanced Education and Immigration and Career Training.

Saskatchewan Polytechnic acknowledges generations of Indigenous learners, staff, faculty and leaders as integral to our community. The institution is committed to Indigenization. That commitment includes holistically integrating Indigenous ways of knowing, being, teaching and learning throughout all institutional practices, procedures and services.

The Cree phrase, *miyo wahkohtowin*, expresses the value and positivity of interconnectedness and relationships. The groundwork for Saskatchewan Polytechnic's strategic plan, *Leading the Rise*, is based on *miyo wahkohtowin*. This principle is honoured throughout every interaction, institutional practice, procedure, policy and service Saskatchewan Polytechnic provides to learners, faculty, staff, alumni and our communities. Saskatchewan Polytechnic works together to create an inclusive, collaborative and respectful environment in which everyone can grow, thrive and lift each other up.

As one of the largest post-secondary institutions in the province, Saskatchewan Polytechnic has a major impact on Saskatchewan's economy. The institution contributes \$2.2 billion to the economy, according to an economic impact analysis conducted in 2019. This analysis showed that:

- The average diploma graduate from Saskatchewan Polytechnic will see an increase in earnings of \$13,300 annually compared to a person with a high school diploma or equivalent working in Saskatchewan.
- Over his or her lifetime, a Saskatchewan Polytechnic graduate will earn \$505,000 more than someone who holds a high school diploma.
- Saskatchewan Polytechnic is a good investment for taxpayers. On average, taxpayers will see a 12.4 per cent annual internal rate of return for every tax dollar spent to support Saskatchewan Polytechnic.

Saskatchewan Polytechnic offers certificate, diploma, degree and post-graduate programs and apprenticeship technical training to learners in Prince Albert, Regina, Moose Jaw and Saskatoon, as well as through distance education opportunities and academic partnerships.

Saskatchewan Polytechnic's provincial education partnerships include the regional colleges, universities, Collège Mathieu, Saskatchewan Indian Institute of Technologies and Gabriel Dumont Institute of Native Studies and Applied Research.

Saskatchewan Polytechnic administers and delivers literacy and adult education programming to provide foundational academic and vocational preparation. In Regina and Saskatoon, the Language Instruction for Newcomers to Canada (LINC) program supports newcomers in their development of English language skills.

Saskatchewan Polytechnic is focused on applied research and work-integrated, hands-on learning. This, coupled with strong ties to business and industry, prepares learners for the workforce.

Through applied research, Saskatchewan Polytechnic collaborates with employers to solve business challenges. Through testing and pursuing innovation, the institution enables employers to capture new opportunities. Saskatchewan Polytechnic's applied research partners have access to exceptional facilities and faculty expertise, funding for research and development and a wide network of connections. By partnering in innovation and testing, Saskatchewan Polytechnic enables companies to capture new opportunities, solve everyday problems and contribute to economic growth and job creation.

Saskatchewan Polytechnic is dedicated to providing learners with quality applied education. Approximately two-thirds of Saskatchewan Polytechnic certificate, diploma and degree programs offer a work-integrated learning component. Work-integrated learning gives learners the opportunity to apply the practical skills they learn at Saskatchewan Polytechnic in a work environment and to bring work-place skills back to the classroom.

Programs are developed and designed in consultation with approximately 700 industry experts. These experts sit on program advisory committees and act as advisors, letting the institution know where labour markets are headed and what skills graduates need to help employers stay innovative. The main role of program advisory committee members is to provide input on ongoing program development and delivery.

Last year, 94 per cent of all graduates and 86 per cent of Indigenous graduates found employment. In a rapidly evolving world, Saskatchewan Polytechnic continues to focus on the future to ensure that tomorrow's workers have the skillsets they need to adapt. Saskatchewan Polytechnic is integral to the province's social and economic success.

COVID-19 RESPONSE

Throughout the 2020-2021 academic year, the Saskatchewan Polytechnic community showed sustained resilience in meeting the challenges posed by the COVID-19 pandemic. Campuses remained closed to the public and programs were delivered using hybrid modalities. The COVID-19 pandemic had wide-ranging impacts on enrolment, programming, learner supports and all aspects of the institution's operations. Saskatchewan Polytechnic responded in innovative ways, driving transformational change that will last beyond the pandemic. For instance, strategic investments and upgrades to learning and teaching platforms and support services systems were accelerated and implemented.

In the 2020-2021 Student Engagement survey, while a majority of the students indicated that their learning was negatively impacted by COVID-19, 88 per cent of students agreed that there

were appropriate supports in place to help them succeed academically. Moving forward, Saskatchewan Polytechnic will leverage the successes and lessons learned from the pandemic, keeping learner success and the health, safety and security of our community top-of-mind.

CYBERSECURITY RESPONSE

In October 2020 Saskatchewan Polytechnic experienced a cybersecurity incident which impacted our online learning environments, registration systems and all internal information technology systems. Saskatchewan Polytechnic's Emergency Management Committee activated a cybersecurity emergency response team and securely resumed services using a cautious and phased-in approach. Working closely with the Ministry of Advanced Education and all internal stakeholders, Saskatchewan Polytechnic's top priority was to minimize impact on learners and restore online learning platforms as quickly as possible.

Following the incident, Saskatchewan Polytechnic has made significant improvements to the IT system by migrating to advanced security technology. Security enhancements include multi-factor authentication for online services, additional information about how to spot malicious emails and new antivirus software for employee computers. Our system now allows for greater collaboration and teamwork, is more secure and has greater mobile-friendly capabilities. Regular IT security education and awareness training will be provided to help employees stay current as cybersecurity threat actors become more prevalent and sophisticated.

MANDATE

Saskatchewan Polytechnic is a public, board-governed polytechnic that operates in accordance with *The Saskatchewan Polytechnic Act*. According to *The Act*, Saskatchewan Polytechnic may provide:

- (a) courses and programs of study, instruction or training and related services, in academic, scientific, trade, technical, technological and vocational fields of education;
- (b) subject to *The Degree Authorization Act*, university programs, by agreement and on the basis agreed to with any university within or outside Saskatchewan;
- (c) courses or programs of instruction or training that have been determined to be required with respect to a trade pursuant to *The Apprenticeship and Trade Certification Act, 1999*;
- (d) courses, programs and seminars of a continuing education nature;
- (e) credit programs through a regional college as defined in *The Regional Colleges Act*;
- (f) student services, career counselling, adult basic education, language training, literacy programming and newcomer integration services;
- (g) training and services, including applied research, to governments, corporations, persons or other bodies with respect to courses, programs and related services that the polytechnic provides or expertise or facilities it possesses, on any terms that the polytechnic considers appropriate;
- (h) services to encourage and support scholarly activity related to programs of study provided by the polytechnic; and,
- (i) any other post-secondary education and training-related functions or activities that may be prescribed in the regulations.

Saskatchewan Polytechnic is committed to operating within this legislative framework. The institution continued to cooperate with the provincial government to support an accessible, responsive, sustainable, accountable and quality post-secondary sector in Saskatchewan.

STRATEGY MANAGEMENT

A clear strategic vision is critical to the planning, decision-making and accountability process in 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, all of which are integrated into every level of the institution. A balanced scorecard framework has been adopted to ensure Saskatchewan Polytechnic demonstrates accountability to its diverse stakeholders. Several foundational components communicate, monitor and report progress.

COMMUNICATE

Strategic Plan – *Leading the Rise: Strategic Plan 2020-2025*

The strategic plan sets the long-term direction for the institution and guides the development of the annual multi-year business plan. The strategic plan articulates the long-term vision, mission, values and strategic goals. It also includes the strategy map.

Leading the Rise closely aligns with the major goals identified in each of the Ministry of Advanced Education's and the Ministry of Immigration and Career Training's operational plans. The strategic plan supports objectives set in the Saskatchewan Growth Plan. Saskatchewan Polytechnic's full strategic plan can be accessed at saskpolytech.ca/rise.

MONITOR

Enterprise Risk Management (ERM) Risk Registry

The ERM risk registry catalogues the risks and opportunities that may impact the institution's strategy execution, operations or projects.

Balanced Scorecard

The balanced scorecard is the institution's performance measurement framework. It links strategic objectives with success measures, indicators and performance targets.

REPORT

Annual Report

The annual report communicates accomplishments and progress on the strategic plan and multi-year business plan.

STRATEGY MAP

A simplified strategy map visualizes how Saskatchewan Polytechnic's strategic objectives build toward our mission, vision and purpose. The map should be read from the bottom to top.

Our strategic plan, simplified

Our purpose: We empower a better Saskatchewan

Our vision: To lead the rise of polytechnic education

Our mission: Inspire success in every learning journey

Our themes:

Inspiring
our future

Investing in
our future

Shaping
our future

Leading an
inclusive future

To achieve success



Learners and employers:

Advance
learner
success

Advance
employer
success

To invest in our future



Enterprise stewardship:

Increase and
diversify
revenue

Optimize
and leverage
resources

To excel in delivery



Internal processes:

Improve
learner
experience

Improve
processes
and services

Improve health,
safety, security
and wellness of
our community

Grow applied
research and
a culture of
innovation

Increase academic
quality and agility

To empower our community



Organizational readiness:

Transform
infrastructure

Increase
collaboration

Improve
inclusion

Increase
technology
utilization

Strengthen
employee
development

Improve
governance

Platform from which we rise: **miyo wahkohtowin**

Statistics



STATISTICS

ACADEMIC YEAR 2020-2021

GRADUATES

NUMBER OF GRADUATES*	SASK POLYTECH DELIVERED	BROKERED	TOTAL
Applied Certificate	384	66	450
Certificate	1,509	347	1,856
Advanced Certificate	134		134
Post-Grad Certificate	297		297
Diploma	1,181	116	1297
Degree – standalone*	25		25
Certificate of Achievement	241	4	245
Advanced Diploma	39		39
Total	3,810	533	4,343

* Number of graduates does not include joint degree programs with the University of Regina.

PROGRAMMING

NUMBER OF POST-SECONDARY PROGRAMS*	SASK POLYTECH DELIVERED
Applied Certificate	36
Certificate	45
Advanced Certificate	8
Diploma	52
Degree	4
Post-Grad Certificate	10
Apprenticeship	26
Advanced Diploma	2
Certificate of Achievement	7
Masters	1
Total	191

* All Saskatchewan Polytechnic programs can be brokered based on demand for programming (enrolment), qualified instructors and proper facilities.

EMPLOYMENT OUTCOMES

EMPLOYMENT RATE BY SCHOOL*	
Business	94%
Joseph A. Remai School of Construction	91%
Health Sciences	99%
Hospitality & Tourism	92%
Human Services & Community Safety	92%
Information & Communication Technology	86%
Mining, Energy & Manufacturing	89%
Natural Resources & Built Environment	93%
Nursing	100%
Transportation	95%

OVERALL GRADUATE EMPLOYMENT RATE*

94%

INDIGENOUS GRADUATE EMPLOYMENT RATE

86%

VISIBLE MINORITY EMPLOYMENT RATE

97%

GRADUATE SATISFACTION RATE

94%

GRADUATES EMPLOYED IN SASKATCHEWAN

94%

EMPLOYER SATISFACTION RATE**

93%

GRADUATE AVERAGE ANNUAL SALARY

\$46,298

* Based on 2021 Graduate Follow-up Survey from Saskatchewan Polytechnic delivered programs six to twelve months following graduation.

** Based on 2020 Employer Survey. The Employer Survey is conducted every two years.

STUDENTS

INTERNATIONAL STUDENT ENROLMENT

COUNTRY OF ORIGIN	SASK POLYTECH DELIVERED	BROKERED	TOTAL
India	1,310	6	1,316
Nigeria	74	-	74
Vietnam	54		54
China	31	1	32
Philippines	29	-	29
Bangladesh	12	-	12
South Korea	11	-	11
Brazil	9	-	9
Jamaica	8	-	8
Mexico	4	-	4
Other	60	34	94
Total	1,602	41	1,643
Distinct International Student Headcount*	1,520	41	1,560

* The table above shows the count of international student enrollments in programs. Some international students may be enrolled in more than one program - they would be counted multiple times in the Country of Origin. The distinct headcount of International students shows the total number of students enrolled in all programs.

EQUITY ENROLMENT PARTICIPATION

DESIGNATED GROUP OF STUDENTS	SASK POLYTECH DELIVERED			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA- DEGREE	
	#	% of total	#	% of total
Indigenous	2,123	15%	1,033	12%
Reported Disability	977	7%	714	8%
Visible Minority	1,031	7%	786	9%
Women	6,717	47%	4,916	58%

EQUITY ENROLMENT PARTICIPATION (CONTINUED)

DESIGNATED GROUP OF STUDENTS	BROKERED			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA-DEGREE	
	#	%	#	%
Indigenous	400	32%	400	32%
Reported Disability	28	2%	28	2%
Visible Minority	51	4%	50	4%
Women	916	73%	916	73%

DESIGNATED GROUP OF STUDENTS	TOTAL			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA-DEGREE	
	#	%	#	%
Indigenous	2,523	16%	1,433	15%
Reported Disability	1,005	6%	742	8%
Visible Minority	1,082	7%	836	9%
Women	7,633	49%	5,832	60%

ENROLMENT BY CAMPUS

ENROLMENT BY CAMPUS*	SASK POLYTECH DELIVERED				
	SASKATOON	REGINA	MOOSE JAW	PRINCE ALBERT	TOTAL
Basic Education	1,029	1,005	131	285	2,450
Apprenticeship	1,879	72	851	585	3,387
Base Certificate/Diploma/Degree	2,527	2,282	1,644	808	7,261
Continuing Education Certificate/Diploma	546	615	-	112	1,273
Total	5,981	3,974	2,626	1,790	14,371

* Enrolments in Saskatchewan Polytechnic delivered programs only.

PROGRAM ENROLMENT

PROGRAM ENROLMENT	SASK POLYTECH DELIVERED			BROKERED			Total		
	FULL-TIME	PART-TIME	TOTAL ENROLMENT	FULL-TIME	PART-TIME	TOTAL ENROLMENT	FULL-TIME	PART-TIME	TOTAL ENROLMENT
Basic Education	1,552	898	2,450	-	-	-	1,552	898	2,450
Apprenticeship	3,280	107	3,387	2	-	2	3,282	107	3,389
Base	3,271	107	3,378	2	-	2	3,273	107	3,380
Con Ed	9	-	9	-	-	-	9	-	9
Cert-Dip-Degree Base	6,763	498	7,261	1	-	1	6,764	498	7,262
Sask Polytech Delivery only	5,418	475	5,893	1	-	1	5,419	475	5,894
Joint-Degree	1,345	23	1,368	-	-	-	1,345	23	1,368
Cert-Dip-Degree Con Ed	527	746	1,273	994	264	1,258	1,521	1,010	2,531
All Levels	12,122	2,249	14,371	997	264	1,261	13,119	2,513	15,632
Distinct students enrolled in programs	13,744			1,260			14,990		

FULL LOAD EQUIVALENT

FULL LOAD EQUIVALENT (FLE)*	SASK POLYTECH DELIVERED			BROKERED			TOTAL		
	PROGRAM FLE	COURSE FLE	TOTAL	PROGRAM FLE	COURSE FLE	TOTAL	PROGRAM FLE	COURSE FLE	TOTAL
Basic Education	1,060	292	1,353	-	-	-	1,060	292	1,353
Apprenticeship	1,121	55	1,175	1	-	1	1,121	55	1,176
Base	1,119	55	1,174	1	-	1	1,120	55	1,175
Con Ed	2	-	2	-	-	-	2	-	2
Cert-Dip-Degree Base	6,455	196	6,651	1	-	1	6,455	196	6,651
Sask Polytech Delivery only	5,862	196	6,058	1	-	1	5,863	196	6,059
Joint-Degree	593	-	593	-	-	-	593	-	593
Cert-Dip-Degree Con Ed	522	974	1,496	1,125	50	1,175	1,647	1,025	2,671
Level Not Declared	1	-	1	-	-	-	1	-	1
Total Credit Activity	9,158	1,518	10,675	1,126	51	1,177	10,284	1,568	11,852
Total Non-Credit Activity	-	184	184	-	-	-	-	184	184
All Levels	9,158	1,701	10,859	1,126	51	1,177	10,284**	1,752	12,036
Distinct students (programs and courses)	23,051			1,318			24,276		

* Full load equivalent (FLE) reports a student's program activity based on the total number of credits or hours they attend, relative to the number of credits or hours that would normally be assigned to a full-time learner. FLE values are rounded to nearest whole number.

** 883 out of 127,920 program related registration records (0.7%) were without a FLE value.

COURSE REGISTRATION

COURSE REGISTRATION	SASK POLYTECH DELIVERED	BROKERED	TOTAL
Basic Education	2,276	1	2,277
Apprenticeship	1,143	-	1,143
Cert-Dip-Degree Base	2,271	-	2,271
Sask Polytech Delivery only	2,271	-	2,271
Joint-Degree	-	-	-
Cert-Dip-Degree Con Ed	14,900	646	15,546
Total Credit Activity	20,590	647	21,237
Total Non-Credit Activity	5,926	12	5,938
All Levels	26,516	659	27,175
Distinct students registered in courses	13,591	182	13,750

FACULTY AND STAFF

WORKFORCE STATISTICS – FULL-TIME EQUIVALENT (FTE)* TOTALS

	ACADEMIC		PROFESSIONAL SERVICES		OUT-OF-SCOPE		TOTALS	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Moose Jaw	176	168	87	78	10	13	272	259
Prince Albert	103	98	61	50	13	9	177	157
Regina	271	284	149	133	33	37	453	454
Saskatoon	442	425	190	169	43	46	675	640
Admin. Office	-	-	61	60	59	63	119	123
Totals	992	975	547	490	158	168	1,697	1,633

* Represents FTE by budget position and does not represent employee headcount. Full-time Equivalent (FTE) includes:

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

Not included: part-time status employees who only work casual assignments or extension service contract assignments, casual status employees, extension contracts or anyone on leave.

Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS: RESULTS ACHIEVED

Saskatchewan Polytechnic's strategic plan, *Leading the Rise*, is guided by a bold new purpose, vision and mission that will guide the work of Saskatchewan Polytechnic to 2025.

**Purpose:** We empower a better Saskatchewan

This is **why we exist**. Saskatchewan Polytechnic is the driving force that empowers and strengthens our province in everything we do. We encourage an economically and socially stronger, more informed and better-prepared Saskatchewan. Through our leadership position within the province, we establish our reputation nationally and around the world.

**Vision:** To lead the rise of polytechnic education

Our vision defines **where we want our strategic plan to take us**. As we look forward to this new decade, applied education has never been more critical to our collective success at home and around the world. Our vision comes from a drive to define the reputation of polytechnic education in Canada and establish its role in building a better future.

**Mission:** Inspire success in every learning journey

Our mission establishes **how we will achieve our vision**. Saskatchewan Polytechnic is passionate about creating an environment where lifelong learners gain the knowledge, skills and abilities to achieve and succeed at work, in their communities and in life. We know that by empowering learners to realize their aspirations, we are building a better Saskatchewan and a better world.

The purpose, vision and mission are supported by 15 strategic objectives and a broad suite of success measures. Strategic objectives are cascaded and operationalized throughout the organization. The strategy map on page 10 lists Saskatchewan Polytechnic's strategic objectives to 2025.

PERSPECTIVE: LEARNERS AND EMPLOYERS

STRATEGIC OBJECTIVES

Advance Learner Success

Advance Employer Success

Learners are ultimately successful when they gain the knowledge, skills and abilities to thrive at work, in their communities and in life. By ensuring learners, programs, and applied research projects meet employer needs, Saskatchewan Polytechnic creates opportunities to empower Saskatchewan, at home and around the world.

STRATEGIC ENROLMENT MANAGEMENT

Saskatchewan Polytechnic continues to build a Strategic Enrolment Management (SEM) framework to focus on learner success. Data analysis was used to facilitate improvements in all aspects of the learner lifecycle: attract, enrol, retain and graduate. SEM will continue to be important in maintaining program enrolment and learner success as Saskatchewan Polytechnic recovers from the COVID-19 pandemic.

ACADEMIC PLAN

Saskatchewan Polytechnic has developed an academic plan to further define the academic priorities of the institution's new strategic plan. Throughout 2020-2021, the senior academic leadership team worked to define the purpose and intent of the academic plan and engaged in broad consultation with internal and external stakeholders. Internally, management, faculty and staff were invited to workshops to provide input and were encouraged to discuss the academic plan content within their schools and departments. Externally, drafts were presented to key external partners, including employer representatives from program advisory committees. The academic plan is complete and will be formally launched in the fall of 2021.

ONLINE STUDENT SUPPORTS

Saskatchewan Polytechnic offers enhanced supports for Indigenous, international and newcomer learners, those requiring accommodations and other diverse learners. The institution focuses on supporting the needs of this diverse learner base, continually improving and adapting supports to respond to learner requirements. Throughout the COVID-19 pandemic, Saskatchewan Polytechnic adapted learner support services to ensure accessibility. This included enhanced support for remote counselling, accessibility services and learning technology. Many of these supports will remain in place as the pandemic comes to an end, offering additional access points to learners. The lessons learned from providing virtual events, including career fairs and open houses, will be considered for future planning.

KNOWLEDGE AND NETWORKING OPPORTUNITIES FOR THE WORKPLACE (KNOW) CONFERENCE

In March 2021, over 1,000 Saskatchewan Polytechnic learners registered for the first virtual KNOW conference. Students had the opportunity to connect with and learn from community leaders, industry experts, alumni and each other. The conference included a virtual exhibitor hall, networking sessions with alumni and industry, and a 21st Century Skills Workshop Series in partnership with RBC Future Launch. Workshop topics included building emotional intelligence, building personal brand and money life hacks.

EMPLOYER PARTNERSHIPS IN CONTINUING EDUCATION

In 2020-2021, Saskatchewan Polytechnic opened the new School of Continuing Education. The school has created additional pathways and offerings outside the traditional core-funded programming to engage learners at all stages of life. The School of Continuing Education brings together Saskatchewan Polytechnic's internal expertise to advance professional development programs, corporate training and micro-credential offerings to address the changing needs of Saskatchewan's economy. Training solution partnerships have been developed with Muskeg Lake Cree Nation, the Saskatchewan Chamber of Commerce and the Canadian Football League Players' Association, among others.

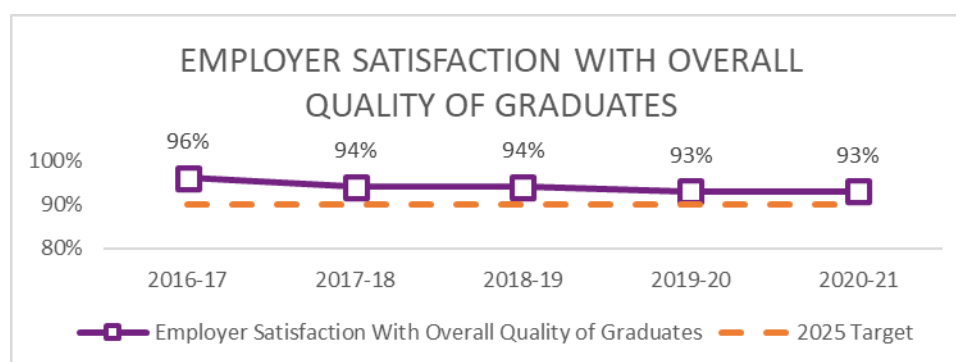
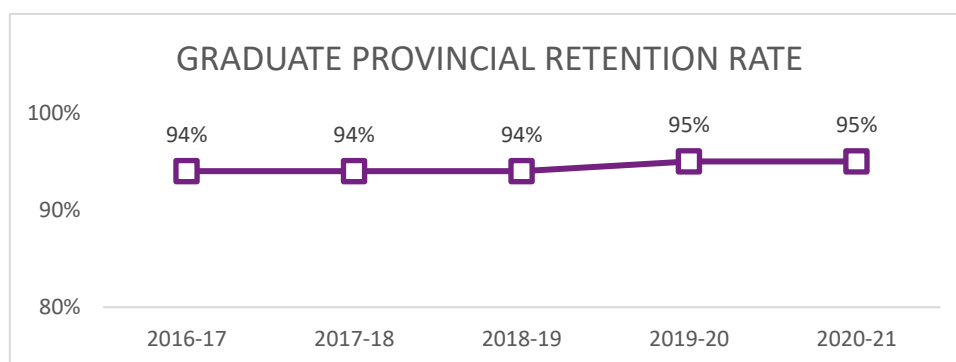
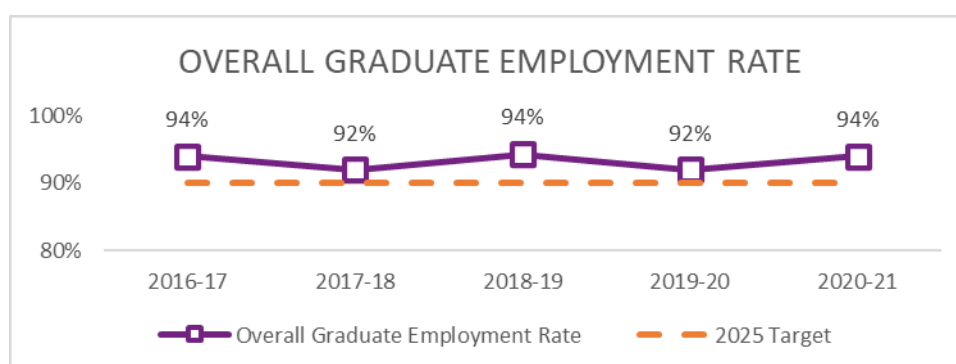
BALANCED SCORECARD RESULTS:

OVERALL GRADUATE EMPLOYMENT RATE

GRADUATE PROVINCIAL RETENTION RATE

EMPLOYER SATISFACTION WITH OVERALL QUALITY OF GRADUATES

Saskatchewan Polytechnic conducts ongoing labour market analysis and maintains close connections with industry through program advisory committees. This ensures program curriculum and capacities are aligned with current and emerging labour market needs. A high percentage of Saskatchewan Polytechnic alumni live and work in Saskatchewan 6-12 months after graduating. This high graduate retention rate ensures Saskatchewan Polytechnic training contributes significantly to the province's economic growth. Employers have reported a consistently high level of satisfaction with the overall quality of Saskatchewan Polytechnic graduates.



STRATEGIC OBJECTIVES

Increase and Diversify Revenue

Optimize and Leverage Resources

Saskatchewan Polytechnic is committed to fostering a sustainable future through effective financial, infrastructure and natural environment management. Programs and services are continually reviewed to ensure they are providing value and aligned with strategic objectives. While the COVID-19 pandemic negatively impacted multiple revenue streams, Saskatchewan Polytechnic has continued to build capacity in priority areas that have potential to reduce reliance on public funding: international student enrolment growth, international projects, continuing education and fundraising. Revenue growth in these areas will support funding of key institutional priorities, including improving the learner experience and development of a new Saskatoon campus.

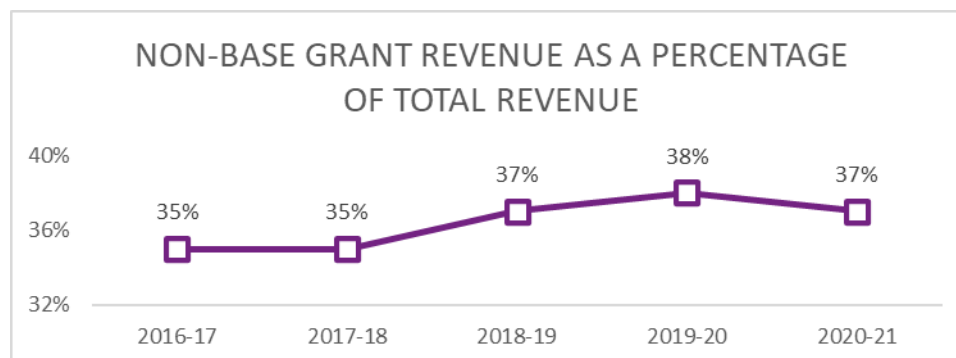
In addition, Saskatchewan Polytechnic worked closely with the Ministry of Advanced Education to sign a multi-year funding memorandum of understanding (MOU). The MOU specifies the level of base operating grant that will be allocated to Saskatchewan Polytechnic over the next four years. This provides greater certainty in Saskatchewan Polytechnic's budgeting processes, as base operating grants had previously been announced on a year-to-year basis. The MOU requires enhanced semi-annual reporting to the Ministry of Advanced Education on budget priorities and key performance measures. Through this reporting, Saskatchewan Polytechnic further demonstrates accountability to optimizing and leveraging resources.

ADVANCEMENT

The Office of Advancement continues to build strong relationships with Saskatchewan Polytechnic's alumni and philanthropic communities. By ensuring meaningful opportunities for the alumni community and other stakeholders to engage in the life of the institution, Saskatchewan Polytechnic is building a diverse network of support for strategic institutional priorities. In 2020-2021, Saskatchewan Polytechnic launched a stewardship program to ensure gifts are honoured consistently and relationships with past donors are enhanced. In addition, Saskatchewan Polytechnic launched an alumni engagement strategy and a legacy giving program to support fundraising efforts and build a culture of philanthropy across the organization. As of May 31, 2021, total donation revenue for 2020-2021 was nearly \$3 million.

BALANCED SCORECARD RESULT:

NON-BASE GRANT REVENUE AS A PERCENTAGE OF TOTAL REVENUE



PERSPECTIVE: INTERNAL PROCESSES

STRATEGIC OBJECTIVES

Improve Learner Experience

Improve Processes and Services

Improve Health, Safety, Security and Wellness

Increase Academic Quality and Agility

Grow Applied Research and a Culture of Innovation

ENROLMENT SERVICES MODERNIZATION

Through the Enrolment Services Modernization project, admission and registration processes are being revised to provide increased flexibility to better meet applicant and student needs. Despite the challenges posed by the cybersecurity incident, progress was made in piloting a single-course registration system in 2020-2021. Continued testing and broader implementation will occur in 2021-2022.

TECHNOLOGY ENHANCED LEARNING

Saskatchewan Polytechnic has made a sustained effort to support technology-enhanced teaching and learning. A Technology Enhanced Learning Plan has been developed and will be launched in 2021-2022. Additionally, a new model for faculty competency development and new quality assurance practices for technology-enhanced learning have been developed. Quality assurance practices focus on documentation of best practices and input from peers and learners for continuous improvement. Technology-enhanced learning makes Saskatchewan Polytechnic programs more accessible to diverse learners and provides opportunities to deliver new, high-demand credentials focused on upskilling and reskilling for those already in the workforce.

COVID-19 PANDEMIC RESPONSE

The COVID-19 pandemic has required close collaboration across the post-secondary education sector. Saskatchewan Polytechnic leaders met regularly with provincial government representatives, the Saskatchewan Apprenticeship and Trade Certification Commission, Saskatchewan universities and regional colleges to discuss our pandemic

response. As a result of this collaboration, Saskatchewan Polytechnic was able to deliver programs and student services in remote or hybrid modalities. Learner and employee health and safety was the driving force behind campus safety plans, resulting in minimal community transmission of COVID-19. A formal debrief of Saskatchewan Polytechnic's pandemic response has been completed; recommendations arising from the debrief will guide improvements to emergency response processes.

ALIGNMENT TO LABOUR MARKET

Saskatchewan Polytechnic has developed a model for reviewing existing programs and implementing new programming initiatives. The model is intended to ensure program rigour and alignment with labour market needs by:

- Ensuring the program supports the strategic plan.
- Ensuring the program meets quality standards.
- Identifying gaps and defining changes in programming to improve outcomes.
- Developing new programs to meet learner and industry needs.

In addition, approximately two-thirds of Saskatchewan Polytechnic's certificate, diploma and degree programs offer work-integrated learning opportunities. To meet emerging labour market needs, Saskatchewan Polytechnic has established a new School of Continuing Education. The School has developed new market opportunities for specialized credentials and training, including microcredentials, corporate training, and enhanced programming for not-for-profit and governmental organizations.

NEW PROGRAMS

In order to meet emerging labour market demands, the following new programs were launched in 2020-21:

Financial Services post-graduate certificate

This one-year post-graduate program gives degree graduates the theoretical and technical knowledge necessary to build a successful career in financial services. Courses provide specialized knowledge and skills in banking, client relationships, consumer credit, insurance, financial advising, income tax, investment funds and more.

Project Management post-graduate certificate

Applicants to this program will have completed an undergraduate degree in either information technology or engineering. The intent of this one-year post-graduate program is to provide students with a strong foundation in essential project management skills, preparing them to lead significant projects within the information technology and engineering sectors.

Indigenous Leadership Skills applied certificate

Indigenous Leadership Skills is an applied certificate designed to be leveraged by industry to broaden specialized, culturally relevant leadership skills within their workforce or by individuals preparing for their next career move or entrepreneurial venture. Using real life case studies focused on exceptional Indigenous leaders, the applied certificate program

uses an interactive to engage learners and instructors. The applied certificate is entirely online, maximizing accessibility and flexibility for industry and learners.

Health Care Cook certificate

The Health Care Cook certificate program was developed in response to a specific labour market need in the health care food services sector. Requested by the Saskatchewan Health Authority, this program supports the role of cooks working in health care and provides the necessary training to enable graduates to interact with patients, modify diets to meet specific texture and nutritional requirements and work as part of an interdisciplinary team.

Forest to Fork applied certificate

The Forest to Fork applied certificate program introduces students to three different post-secondary choices, including the Integrated Resource Management diploma, the Retail Meat Specialist applied certificate and the Professional Cooking certificate. A wide range of topics introduce students to the ideas of food security, beginning with plant species in Saskatchewan and their uses, proper processing of wild meat and, finally, getting it on the table with proper cooking techniques.

Cyber Security post-graduate certificate

The Cyber Security post-graduate certificate prepares students for the challenges of identifying network and computer system vulnerabilities, conducting ethical hacks to determine system risk and designing organizational cyber security plans. The program content is based on the expectation that students will have developed problem-solving skills and basic research skills in their undergraduate information and communication technology degrees and that the Cyber Security post-graduate certificate program will enhance their existing knowledge and skills. Cyber security is everyone's business and developing current practical knowledge is important in this digital growth industry.

Artificial Intelligence and Data Analytics post-graduate certificate

The goal of the program is to prepare internationally educated graduates with degrees in information and communications technology for the fields of data analysis and machine learning. Artificial Intelligence and Data Analytics is the power to analyze and learn about large amounts of data from multiple sources and detect patterns to make future trend predictions. Business and industry benefit from predictive analytics when making decisions about production, marketing and development.

APPLIED RESEARCH AND INNOVATION

Applied research is a growing area of strength, as employers continue to seek out Saskatchewan Polytechnic as a provider of real-world solutions to market challenges. Saskatchewan Polytechnic assists companies in developing products, enhancing technologies and commercializing the innovations needed for Saskatchewan to be a global economic leader. Intellectual property for applied research projects at Saskatchewan Polytechnic is retained by the industry partner, creating more incentive for future creative engagement and ongoing collaboration.

Applied research projects also provide practical education for students, including the development of critical thinking, problem solving, teambuilding, communication and entrepreneurial skills. Such research also provides faculty with an opportunity to bring their expertise to industry, while expanding their background in the application of their skills. By connecting businesses, faculty and students through applied research, Saskatchewan Polytechnic is enhancing Saskatchewan's entrepreneurial capacity for the future.

Applied research achievements include:

- Total external funding for applied research projects in 2020-2021 was \$4,274,723, the second-highest single-year total in Saskatchewan Polytechnic history.
- Total applied research revenue was \$6,332,753, an 11.4% increase over the previous year
- 41 external applied research projects were awarded in 2020-2021. An additional 71 internal projects were awarded through Saskatchewan Polytechnic's Seed Applied Research Projects Fund, the Sustainability Innovation Fund, the Centre for Health Research Improvement and Scholarship (CHRIS) and through student scholarships.

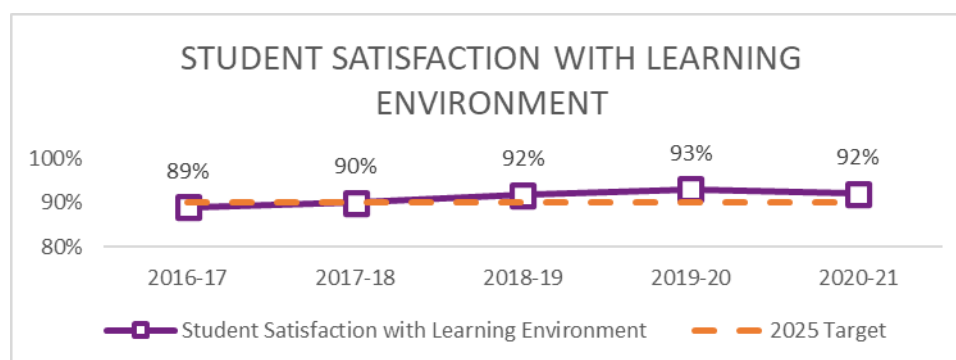
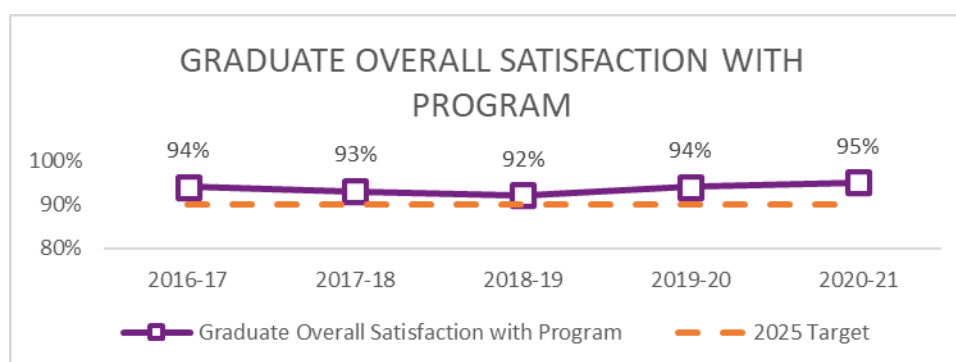
BALANCED SCORECARD RESULTS:

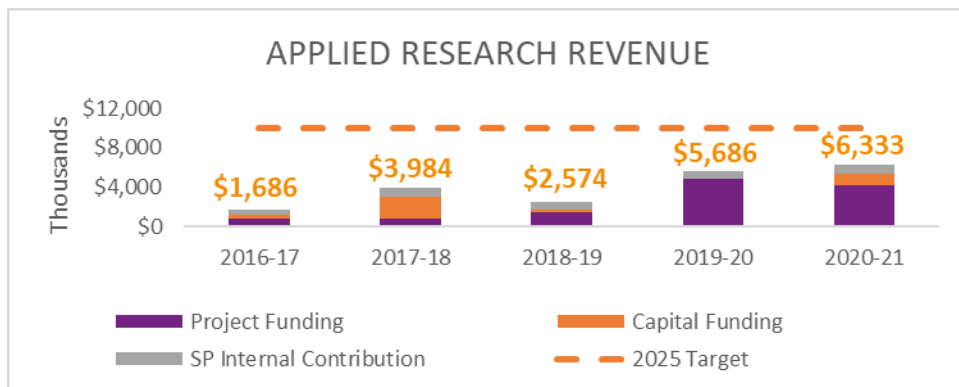
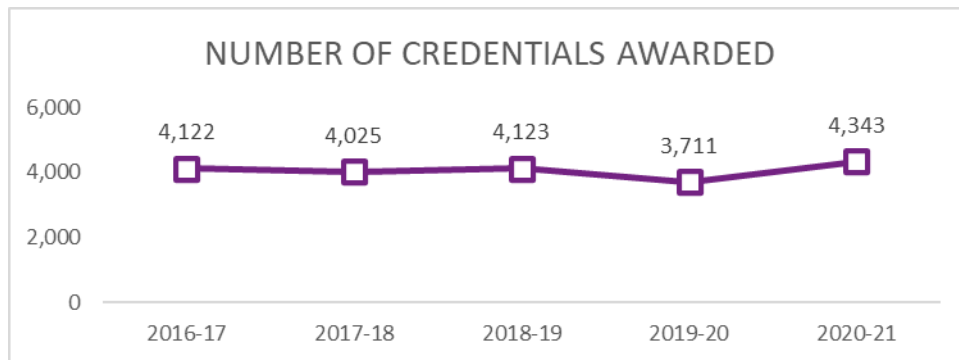
GRADUATE OVERALL SATISFACTION WITH PROGRAM

STUDENT SATISFACTION WITH LEARNING ENVIRONMENT

NUMBER OF CREDENTIALS AWARDED

APPLIED RESEARCH REVENUE





A cumulative target of \$10M has been set, to be achieved over the duration of the Strategic Plan

PERSPECTIVE: ORGANIZATIONAL READINESS

STRATEGIC OBJECTIVES

Transform Infrastructure

Increase Collaboration

Improve Inclusion

Increase Technology Utilization

Strengthen Employee Development

Improve Governance

CAMPUS REOPENING AND RENEWAL

Throughout the past year, Saskatchewan Polytechnic worked closely with the Ministry of Advanced Education on campus reopening plans and implemented necessary improvements to support the health and safety of learners and staff who were required to be on campuses during the pandemic. In addition, key infrastructure projects continued to advance. Upgrades to the Regina dental lab and clinic spaces, which were needed to meet new standards for aerosol generating dental procedures, were supported by a \$2.3 million funding contribution from the province. An additional \$12.5 million was provided to support Moose Jaw campus mezzanine renovations for the Joseph A. Remail School of Construction, the School of Transportation and the School of Mining, Energy and

Manufacturing. Scheduled for completion in spring 2022, the renovations will make learning spaces more adaptable to changing program delivery needs and provide opportunity for future growth.

INDIGENOUS STUDENT SUCCESS STRATEGY

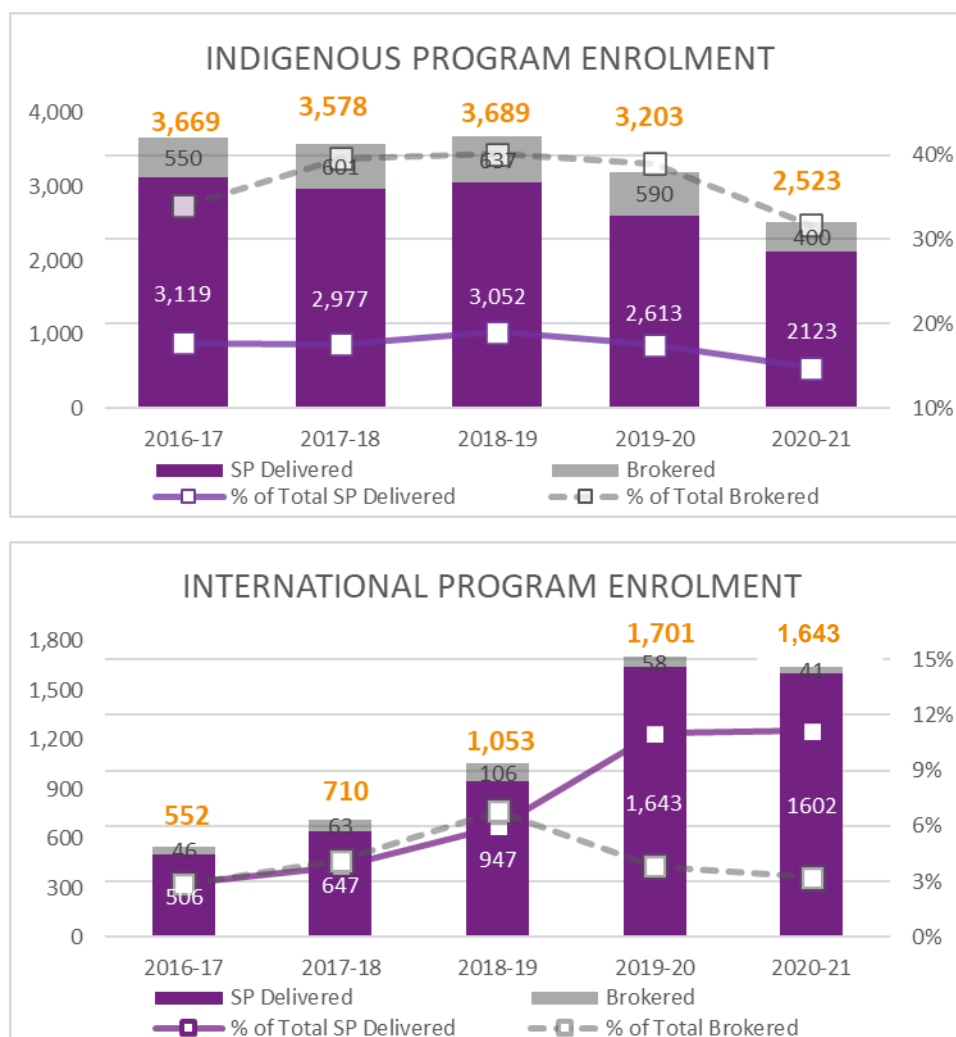
The Indigenous Student Success Strategy is designed to maximize success for the province's growing population of Indigenous learners. Supports provided through the Indigenous Student Success Strategy include the summer transition program, access to Indigenous student advisors and Elders and policies that promote cultural safety.

Through the work of a multi-school working group, 2020-2021 saw the creation of an Indigenous knowledge container, *kiskēyitamowin asiwacikan*, to support the integration of Indigenous content into Saskatchewan Polytechnic programs. This knowledge container provides curricular resources, background information such as land acknowledgement wording and successful Indigenization examples from faculty. In addition, Saskatchewan Polytechnic hosted the Indigenous Day of Learning for faculty and staff. Sessions facilitated by the Instructional Leadership and Development Centre and Indigenous Strategy were focused on Indigenous ways of knowing and doing, weaving these themes into Saskatchewan Polytechnic teaching and learning, as well as the learning needs and strengths of Indigenous students.

INTERNATIONAL STUDENT SUCCESS

Saskatchewan Polytechnic's international framework enriches students' learning, prepares them for an increasingly multicultural global workplace and enhances faculty and staff capabilities through collaborations, partnerships and experiences. Aligning with both provincial and federal international education growth strategies, Saskatchewan Polytechnic has focused on international student recruitment and retention as a key priority. This will increase the number of skilled and entrepreneurial new Canadians in Saskatchewan and will contribute to the province's goal of growing Saskatchewan's population to 1.4 million by 2030. In 2020-2021, Saskatchewan Polytechnic entered into a partnership with CultureWorks to expand access to English for academic purposes programming for international students. This expansion increases the variety of pathways for international students to access Saskatchewan Polytechnic programs.

BALANCED SCORECARD RESULTS:
INDIGENOUS PROGRAM ENROLMENT
INTERNATIONAL PROGRAM ENROLMENT



MANAGEMENT DISCUSSION AND ANALYSIS: FINANCIAL PERFORMANCE

(in thousands of dollars)

The ever-evolving state of the COVID-19 pandemic had a wide-ranging impact on Saskatchewan Polytechnic and its faculty, staff and learners during 2020-2021. With reduced intakes, limited on campus activity and a transition to both a hybrid and fully online learning environment, Saskatchewan Polytechnic suffered negative impacts to revenues during 2020-2021. Ancillary revenues were down as a result of campus closures affecting parking, food services, bookstores and printshop revenues. There were also significant shortfalls in international tuition due to declining enrolment as a result of the travel restrictions and border closures.

In anticipation of these revenue shortfalls, Saskatchewan Polytechnic revisited the 2020-2021 budget that had been nearing completion, reevaluating expenditure plans, and implementing strategic cost-cutting measures, including delayed implementation of institutional projects and the suspension and deferral of some program offerings. Due to the significant unknowns surrounding the pandemic, and in particular the potential for additional impact on international tuition revenues, a \$4 million contingency to mitigate the impacts of the revenue losses was also included in the 2020-2021 budget. Additional fiscal restraint measures were enacted early in the fiscal year.

This conservative approach to budgeting and spending in combination with stronger than anticipated revenues in some areas and a healthy surplus balance from 2019-2020 enabled Saskatchewan Polytechnic to end 2020-2021 in a strong financial position.

An additional factor that significantly contributed to the positive operating results in 2020-2021 was the recognition of \$8 million of capital project funding received from the Ministry of Advanced Education for the Moose Jaw Mezzanines, Regina Dental Clinic, Saskatoon Campus renewal, and development of a rural-focused remote offering of the Veterinary Technology diploma. This funding is required to be recognized as revenue in 2020-2021 under Public Sector Accounting Standards. Only \$1.5 million of spending toward the capital projects occurred during 2020-2021, with the remainder expected in 2021-2022. There was also an additional \$2.2 million of internally restricted funding related to government grants and research. This will not impact the unrestricted operating surplus at the end of 2020-2021.

In late October 2020, Saskatchewan Polytechnic experienced a cybersecurity incident. Business continuity and system remediation efforts were extensive and affected almost every area across the institution. Navigating through both the cybersecurity incident and the pandemic was challenging but resulted in the acceleration of several strategic investments in key priority areas including upgrades to the information technology and security infrastructure, learning and teaching platforms and support services systems.

In fiscal 2021, Saskatchewan Polytechnic recorded an operating surplus of \$7,051 as compared to a planned operating deficit of \$9,441, resulting in a positive operating variance of \$16,492. As noted above, much of this positive operating variance was due to the capital project funding received in 2020-2021. This surplus was largely anticipated and forecast as part of regular ongoing financial review processes.

Saskatchewan Polytechnic's unrestricted operating surplus (UOS) balance represents funds where Saskatchewan Polytechnic has discretion in determining their future use. It is the accumulation of prior years' net surpluses, adjusted for funds that have external restrictions on their use. Saskatchewan Polytechnic's unrestricted operating surplus (UOS) at June 30, 2021 increased to a closing balance of \$6,102 which was \$4,979 greater than budget.

Highlights: actual 2021 compared to 2020

The operating surplus for fiscal 2021 was \$7,051 compared to a deficit of \$733 for fiscal 2020. A discussion of the variances by the main revenue category and expenses by function follows:

- Grant and contractual services revenues increased by \$10,393 or 5.5 per cent from 2020:
 - Revenue from the Government of Saskatchewan is a significant contributor due to capital project funding that was received from the Ministry of Advanced Education in 2020-21. \$4 million was received for the Moose Jaw Mezzanines, \$2.3 million for the Regina Dental Clinic, \$1 million for the Saskatoon Campus Renewal and \$687 thousand for the development of a rural-focused remote offering of the Veterinary Technology diploma. The remainder of the increase over the prior year is due to funding received from the Ministry of Advanced Education in 2020-2021 to support collective agreement increases for the Saskatchewan Polytechnic Faculty Association (SPFA) and Professional Services Bargaining Unit (PBSU) in addition to the April to June 2021 portion of the Saskatchewan Post-Secondary Multi-Year Operating Funding received from the Government of Saskatchewan.
 - Non-government revenue was greater than the prior year due to an increase in applied research contracts in addition to increased training in the School of Continuing Education.
 - Partially offsetting this increase was a decrease in funding from the Government of Canada, primarily due to a decrease in demand from the LINC program.
- Tuition and fees decreased by \$3,498 or 6.2 per cent primarily due to a reduction in international tuition. This is the result of reduced international enrolment as international border closures restricted international students from entering Canada due to the COVID-19 pandemic. Testing fees were also down as a result of campus closures affecting the ability to provide testing services.
- Sales decreased by \$4,355 or 49.7 per cent as the pandemic resulted in campus closures which negatively affected sales in the bookstores, cafeterias and print shops. Parking revenues were also down over the prior year as students and staff were largely offsite for 2020-21 and a decision was made to waive parking fees for those required to be onsite.
- Other revenue decreased by \$1,737 or 48.5 per cent due to some large gift-in-kind donations in the prior year and increased restricted investment income that funded a greater portion of the scholarships and awards allowing more current year donations to be deferred until future years. Additionally, there was less revenue from vending sales, career fair revenue and locker rental sales as a result of the campus closures.

- Academic expenses decreased by \$5,279 or 3.4 per cent. Much of the variance is due to impacts from the pandemic. Savings in travel and professional development were realized as all travel, including international travel was suspended and divisional retreats and conferences were cancelled for the 2020-2021 year. Many initiatives across the schools were put on hold in 2020-2021 resulting in a reduction of expenses over the prior year. There was a reduction in expenses as a result of the suspension of Dental Assisting, Cytology, and year one of Addictions Counselling in the school of Health Sciences in 2020-2021 due to the pandemic. There was also reduced spending on salaries, operational supplies, training and professional development in LINC due to reduced activity and savings in the Testing Centres as the campus closures affected the ability to provide testing services.
- Student Services expenses decreased by \$970 or 6.2 per cent. Many initiatives that were planned for 2020-21 were put on hold due to the pandemic. Savings in travel, consulting, and materials were realized in Counselling, Wellness and Accessibility Services as the majority of students remained off-site for the entirety of 2020-2021.
- Administration expenditures increased by \$1,688 or 4.8 per cent primarily as the result of an increase in costs required to strengthen enterprise information technology security in response to the cybersecurity incident. There were also increased salary costs as a number of health and safety positions were required during the pandemic to protect the safety and well-being of students, faculty and staff. There were also an increase in legal costs over the prior year, primarily due to the cybersecurity incident.
- Ancillary services expenses decreased by \$2,345 or 30.6 per cent due to a decrease in salary costs as campus closures resulted in positions in cafeterias and food services not being required in 2020-2021. There was also a reduction to cost of sales as a result of the bookstores, printshops and cafeterias being closed during the entirety of 2020-2021 as a result of the pandemic.

Highlights: actual 2021 compared to plan 2021

The operating surplus of \$7,051 in fiscal 2021 compares to a planned operating deficit of \$9,441, resulting in a positive variance of \$16,492. A discussion of the variances by the main revenue category and expenses by function follows:

- Grant and contractual services revenues were higher than budget by \$14,602 or 7.9 per cent. This variance is the result of offsetting factors broken down as follows:
 - Increased revenue from the Government of Saskatchewan was primarily due to \$8 million of funding that was received from the Ministry of Advanced Education in 2020-21. \$4 million was received for the Moose Jaw Mezzanines, \$2.3 million for the Regina Dental Clinic, \$1 million for the Saskatoon Campus Renewal and \$687 thousand for the development of a rural-focused remote offering of the Veterinary Technology diploma. Under Public Sector Accounting Standards, this funding must be recognized as revenue in 2020-2021 even though most of the related spending will occur in 2021-22. The April to June 2021 portion of the Saskatchewan Post-Secondary Multi-Year Operating Funding received from the Government of Saskatchewan accounted for the remainder of the increase over budget.

- A positive variance within the Government of Canada revenue was the result of the schools of Construction and Transportation securing new contracts, additional revenue received through the Office of Applied Research and Innovation (OARI) partially offset by a decline in revenue for LINC due to reduced activity.
 - Non-government revenues were greater than expected primarily due to an increase in Continuing Education revenue because of increased activity and an increase in revenue generated through OARI.
- Tuition and fees were greater than budget by \$4,271 or 8.7 per cent. This is largely the result of a \$4 million contingency that was entered to tuition and fees to protect against the potential for additional revenue reductions occurring within the year due to the pandemic. Additionally, there was greater than expected tuition in the Schools of Continuing Education, Nursing, Health Sciences and Business. Partially offsetting this positive variance were lower than expected international tuition as a result of the travel restrictions and border closures. Lower enrolments were seen primarily in the Schools of Information and Communications Technology (ICT), Hospitality and Tourism, and Mining, Energy, and Manufacturing (MEM).
 - Sales were less than budgeted by \$1,023 or 18.9 per cent. The shift from in-person to online delivery and the resulting closure of bookstores, print shops, and cafeterias for the entirety of fiscal 2021 led to a reduction in sales, and the offsetting cost of sales, as a result. Additionally, parking revenue is also contributing to the revenue shortfalls in fiscal 2021 due to the majority of students and staff remaining off-site.
 - Academic expenses were greater than budget by \$3,555 or 2.4 per cent, mainly due to additional expenses incurred in the School of Continuing Education as training activity was greater than expected. There was also an increase in severance payouts compared to budget as well as an increase in the vacation leave liability as staff did not utilize as many vacation days as normal this fiscal year due to the pandemic.
 - Administration expenses were greater than budget by \$442 or 1.2 per cent, due to increased expenditures in Information Technology Services required as a result of the cybersecurity incident, in addition to additional positions, materials and personal protective equipment needed to support health and safety during the pandemic.
 - Advancement and International expenditures were less than budgeted by \$2,370 or 17.6 per cent, primarily due to less than expected agency fees for recruitment of international students and travel savings due to the international border closures as a result of the pandemic.
 - Student Services expenditures were less than budgeted by \$1,040 or 6.7 per cent due to salary savings as several positions were vacant throughout the year in addition to savings realized as several initiatives were put on hold due to the pandemic.

Highlights: Plan 2022

Saskatchewan Polytechnic is projecting combined operating and capital expenses to exceed revenues by \$6,246 in 2021-2022. This transitional deficit balance is projected to be eliminated by 2023-2024 as a result of a continued emphasis on revenue generation combined with a positive unrestricted operating surplus reserve balance at the end of 2020-2021.

Saskatchewan Polytechnic's focus for 2021-2022 will be on rebuilding revenues and transitioning back to in-person learning. As Saskatchewan Polytechnic's business plan was based on a phased-in reopening of campuses for the fall of 2021, conservative planning assumptions have been adopted and a variety of sustainability measures have been implemented. The signing of the multi-year funding Memorandum of Understanding (MOU) with the Government of Saskatchewan was a significant positive milestone that provides a level of certainty and stability on funding levels over the next four years, as well as a welcome injection of one-time funding support for the 2021-2022 and 2022-2023 fiscal years. This funding will assist with the ongoing COVID-19 recovery and transition to a post-pandemic learning model.

The uncertainty resulting from the COVID-19 pandemic continues to influence the 2021-2022 budget for Saskatchewan Polytechnic. As in-person learning resumes and employees begin to return on-site, Saskatchewan Polytechnic will need to rebuild institutional capacity through investments in staffing that support employee, learner and employer success. Health and safety investments are needed to ensure student and employee safety with the reopening of the campuses. Investments in resources to support the increasingly digitized work and learning environment and ongoing technology modernization initiatives are also needed. Additional investments that align with the priority areas in the Saskatchewan Post-Secondary Multi-Year Operating Funding MOU will be the focus for 2021-2022.

The most significant areas of anticipated change from the fiscal 2021 budget to fiscal 2022 budget are:

- Grant revenue and contractual services are budgeted to increase by \$7,854 or 4.3 per cent. Grant revenue increased due to funding received through the MOU with the Government of Saskatchewan. There were also significant increases in contract revenue in the School of Continuing Education to reflect a return to in-person learning for the fall 2021, in addition to increases in regional college brokerages and increased activity in International Projects. These increases are partially offset by a reduction to contract revenue due to a reduction in activity for the Language Instruction for Newcomers to Canada (LINC) and declining apprenticeship activity.
- Tuition and fees are anticipated to increase by \$11,011 or 22.5 per cent as in-person learning increases post-pandemic. These increases have been reflected in domestic tuition across all schools and programs and in the School of Continuing Education. Additionally, a significant increase is anticipated in international student enrolment as restrictions are expected to lift on international travel. An additional contingency has been included in the 2021-2022 budget to mitigate against the risk of additional tuition shortfalls, primarily in international student tuition revenue as some pandemic uncertainty remains.
- Sales revenue is expected to increase by \$1,837 or 33.9 per cent. Bookstores, printshops, cafeterias and parking are expected to recover much of the sales revenue that was lost due to the COVID pandemic and campus closures.
- Academic program costs are expected to increase by \$14,597 or 10.1 per cent. Additional supports are required throughout the institution as Saskatchewan Polytechnic shifts to recover, rebuild and transition post-pandemic. Many cost saving measures were implemented in 2020-2021 (through temporary layoffs and positions that were held

vacant) to offset expected revenue losses from the pandemic. The reinstatement of these positions and operational expenses for 2021-2022 are now required as Saskatchewan Polytechnic transitions back to the reopening of the campuses. To support an increase in International programming for 2021-2022, additional instructional and support positions are required primarily in the Schools of Business and Information Communications Technology.

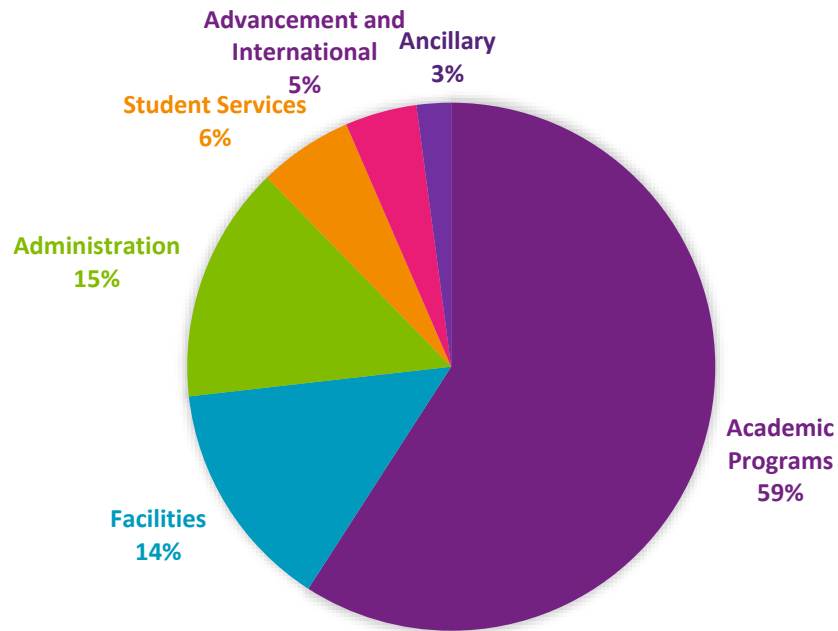
- Administration costs are expected to increase by \$4,365 or 12.1 per cent. Additional information technology staff resources are required to support safe and secure operations in 2021-2022 and beyond. Enhancement of service desk and network supports, strengthening enterprise information technology security, and supporting remote student counseling, accessibility services and learning technology are needed. Investments are also required to address health and safety concerns as employees and students transition back to campus in 2021-2022.
- Advancement and International costs are expected to increase by \$2,453 or 18.3 per cent as additional resources are needed to support the projected international student enrolment increases to pre-pandemic levels. An increase in agency fees is also expected to support the recruitment of international students.
- Student Services costs are expected to increase by \$1,524 or 9.8 per cent. This is mainly the result of the reinstatement of positions required to support students as Saskatchewan Polytechnic transitions back to in-person learning.
- Ancillary expenses are projected to increase by \$1,587 or 28.3 per cent due to the shift back to in-person from online delivery, the reopening of bookstores, print shops, and cafeterias are expected to have increased sales, with offsetting increases to cost of sales as a result.

Capital Spending Summary

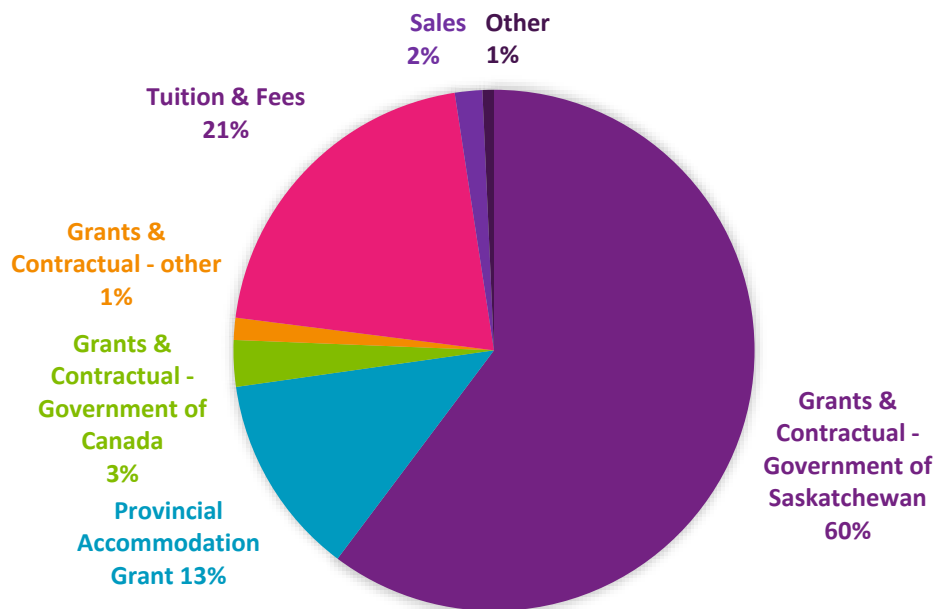
Saskatchewan Polytechnic planned for a net capital budget of \$5,583 in 2020-2021. The net capital budget was the result of budgeted amortization of \$9,787 less planned capital expenditures of \$4,205. Actual capital spending was \$7,808 compared with planned capital spending of \$4,205.

Spending has significantly increased over budget for 2020-2021 largely due to advanced spending of 2021-2022 capital needs. The 2020-2021 budget for capital spending had been reduced from the previous year as a financial austerity measure that was implemented in response to anticipated revenue shortfalls because of the pandemic. As the revenue shortfalls were not as large as expected, spending on foundational digital infrastructure to support the new learning and work environment and critical capital equipment occurred to remove the significant backlog of aging and outdated capital equipment needing replacement. The capital spending will ensure that students have access to much needed program equipment and infrastructure for when in-person learning is expected to return.

2021 OPERATING EXPENSES



2021 OPERATING REVENUE



Key financial results and data

(Dollars in thousands)

	2020 Actual	2021 Plan	2021 Actual	2022 Plan
Operations				
Annual surplus/(deficit)	\$ (733)	\$ (9,441)	\$ 7,051	\$ (13,734)
<u>Revenue:</u>				
Grants and contractual services	188,867	184,658	199,260	192,512
Tuition and fees	56,757	48,988	53,259	59,999
Sales	8,758	5,426	4,403	7,263
Other revenue	3,579	2,570	1,842	2,566
<u>Expenses:</u>				
Academic programs	154,044	145,210	148,765	159,807
Facilities	34,980	35,166	35,503	35,631
Administration	34,817	36,063	36,505	40,428
Student services	15,530	15,600	14,560	17,124
Advancement and international	11,662	13,434	11,064	15,887
Ancillary	7,661	5,610	5,316	7,197
Financial Position				
Unrestricted operating surplus	\$ 4,981	\$ 1,123	\$ 6,102	\$ (1,752)
Financial assets	51,411	42,506	75,131	48,631
Liabilities	50,993	45,258	65,006	54,400
Net assets/(debt)	418	(2,752)	10,125	(5,769)
Tangible capital assets	55,420	49,402	52,851	55,841
Accumulated surplus	58,090	48,650	65,141	52,072

¹ There were several specific capital and operating projects included in the fiscal 2021 budget that were in progress at June 30, 2021, leading to requests to utilize these unspent funds in fiscal 2022. The 2022 figures do not include an anticipated drawdown of the unrestricted operating surplus to fund the costs related to these carry forward requests.

Financial Statements



MANAGEMENT REPORT

September 24, 2021

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 that 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 that 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

Cheryl Schmitz
CFO & Vice President, Administrative Services

Sean Engemoen
Associate Vice President, Financial Services



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Saskatchewan Polytechnic (the "Polytechnic"), which comprise:

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Polytechnic as at June 30, 2021, and its results of operations, its changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Polytechnic in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.



We obtained the information other than the financial statements and the auditors' report thereon, included in Annual Report document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Polytechnic's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Polytechnic's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Polytechnic to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Saskatoon, Canada
September 24, 2021

Tara Clemett, CPA, CA, CISA
Acting Provincial Auditor
Regina, Saskatchewan
September 24, 2021

SASKATCHEWAN POLYTECHNIC

Statement of Financial Position

As at June 30, 2021
(in thousands of dollars)

	Note	2021	2020
Financial assets			
Cash and cash equivalents	3	\$ 61,233	\$ 37,241
Accounts receivable	4	6,045	7,648
Inventories for resale	5	3,020	2,479
Portfolio investments	6	4,833	4,043
		75,131	51,411
Financial liabilities			
Accounts payable and accrued liabilities		6,461	4,472
Salaries and benefits payable		14,875	14,758
Obligation under capital leases	7	1,748	1,447
Employee future benefits	8	2,471	2,495
Debt	10	648	752
Deferred revenue	11	38,803	27,069
		65,006	50,993
Net financial assets		10,125	418
Non-financial assets			
Tangible capital assets	12	52,851	55,420
Prepaid expenses		2,165	2,252
		55,016	57,672
Accumulated surplus	13	\$ 65,141	\$ 58,090
Contractual rights	14		
Contractual obligations and contingencies	15		

Approved on behalf of the Board:

Mitchell J. Holash, QC, Board Chair

Tyler Willox, Audit and Risk Committee Chair

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

SASKATCHEWAN POLYTECHNIC

Statement of Operations

For the year ended June 30, 2021
(in thousands of dollars)

	Budget (Note 19)	2021	2020
Revenue			
Grants and contractual services:			
Government of Saskatchewan	\$ 178,186	\$ 188,263	\$ 177,209
Government of Canada	5,500	7,461	10,020
Other governments	128	603	393
Non-government	844	2,933	1,245
Tuition and fees	48,988	53,259	56,757
Sales	5,426	4,403	8,758
Donations (Note 16)	1,398	616	2,112
Investment income	559	974	939
Other income	613	252	528
	241,642	258,764	257,961
Expense (Note 17)			
Academic programs	145,210	148,765	154,044
Facilities	35,166	35,503	34,980
Administration	36,063	36,505	34,817
Student services	15,600	14,560	15,530
Advancement and international	13,434	11,064	11,662
Ancillary	5,610	5,316	7,661
	251,083	251,713	258,694
Annual surplus (deficit)	(9,441)	7,051	(733)
Accumulated surplus, beginning of year	58,090	58,090	58,823
Accumulated surplus, end of year	\$ 48,649	\$ 65,141	\$ 58,090

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

SASKATCHEWAN POLYTECHNIC

Statement of Change in Net Financial Assets (Debt)

For the year ended June 30, 2021
(in thousands of dollars)

	Budget (Note 19)	2021	2020
Net financial assets (debt), beginning of year	\$ 418	\$ 418	\$ (974)
Changes during the year:			
Annual surplus (deficit)	(9,441)	7,051	(733)
Acquisition of tangible capital assets	(3,935)	(8,006)	(7,575)
Tangible capital asset donations received	-	(7)	(691)
Proceeds on disposition of tangible capital assets	-	90	237
Gain on disposition of tangible capital assets	-	(67)	(160)
Amortization of tangible capital assets	9,787	10,559	10,306
Decrease in prepaid expenses, net	-	87	8
	(3,589)	9,707	1,392
Net financial assets (debt), end of year	\$ (3,171)	\$ 10,125	\$ 418

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

SASKATCHEWAN POLYTECHNIC

Statement of Cash Flows

For the year ended June 30, 2021
(in thousands of dollars)

	Note	2021	2020
Operating transactions			
Annual surplus (deficit)		\$ 7,051	\$ (733)
Items not affecting cash:			
Amortization of tangible capital assets	17	10,559	10,306
Tangible capital asset donations received	12	(7)	(691)
Gain on disposition of tangible capital assets	17	(67)	(160)
Unrealized (gain) loss on portfolio investments		(582)	20
Decrease in employee future benefits liability		(24)	(60)
Net increase in non-cash operating balances	18	14,989	5,988
		31,919	14,670
Capital transactions			
Acquisition of tangible capital assets		(8,006)	(7,575)
Proceeds on disposition of tangible capital assets		90	237
		(7,916)	(7,338)
Investing transactions			
Proceeds on disposition of portfolio investments		612	779
Acquisition of portfolio investments		(820)	(563)
		(208)	216
Financing transactions			
Increase in capital lease obligation		301	534
Debt repayments		(104)	(121)
		197	413
Net increase in cash and cash equivalents		23,992	7,961
Cash and cash equivalents, beginning of year		37,241	29,280
Cash and cash equivalents, end of year	3	\$ 61,233	\$ 37,241

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

1. Authority and purpose

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

The Polytechnic is a registered charity within the meaning of the Canadian Income Tax Act. As a non-profit organization, the Polytechnic is exempt from the payment of income taxes.

2. Summary of significant accounting policies

a. Basis of accounting

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

b. Revenue recognition

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

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

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

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

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

Investment income includes interest recorded on an accrual basis, declared dividends and realized gains and losses on portfolio investments.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b. Revenue recognition (continued)

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, obligation under capital leases 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 120 days or less when purchased.

¹ During 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.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

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.

Assets under capital leases 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. A schedule of future payments, including interest, is presented in Note 7.

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

Assets under construction are not amortized until completed and placed into service for use.

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

g. Tangible capital assets (continued)

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 cannot be made. Information on works of art held by the Polytechnic is disclosed in Note 12.

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 and provisions for contingencies. Actual results may ultimately differ from these estimates.

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

i. Future accounting changes

In August 2018, the Public Sector Accounting Board (PSAB) issued PS 3280, *Asset Retirement Obligations*. This accounting standard is effective for fiscal years starting on or after April 1, 2022 and early adoption is permitted. This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset. As the Polytechnic leases the majority of its facilities, and has no known asset retirement obligations, the impact on the financial statements of adopting this standard is not expected to be significant. The Polytechnic plans to adopt this standard on July 1, 2021.

In November 2018, the PSAB issued PS 3400, *Revenue*. This accounting standard is effective for fiscal years starting on or after April 1, 2023 and early adoption is permitted. This standard provides guidance on how to account for and report on revenue, by distinguishing between revenue that arises from transactions that include performance obligations from transactions that do not have performance obligations. The impact on the financial statements of adopting this standard has not been determined at this time.

3. Cash and cash equivalents

	2021	2020
Cash	\$ 61,148	\$ 24,905
Cash equivalents	85	12,336
	\$ 61,233	\$ 37,241

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

4. Accounts receivable

	2021	2020
Corporate	\$ 2,402	\$ 1,524
Federal government	1,502	4,785
Provincial government	532	497
Student	1,863	893
Other	104	126
Less provision for doubtful accounts	(358)	(177)
	\$ 6,045	\$ 7,648

5. Inventories for resale

	2021	2020
Bookstores	\$ 2,902	\$ 2,290
Food services	38	74
Shop and service supplies	80	115
	\$ 3,020	\$ 2,479

The cost of inventory sold and recognized as an expense during 2021 was \$3,409 (2020 – \$5,277) and includes inventory write-downs of \$70 (2020 – \$34). There were no reversals of write-downs of inventory made in prior periods. As of June 30, 2021, there was no inventory pledged as security for liabilities.

6. Portfolio investments

Portfolio investments consist of bond and equity mutual funds, 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. Information on deferred donation revenue is included in Note 11.

	2021	2020
Equities and equity mutual funds	\$ 3,235	\$ 2,513
Bonds and bond mutual funds	1,598	1,530
	\$ 4,833	\$ 4,043

The portfolio investments had a return of 16.48% in 2021 (2020 – 2.11%).

The Polytechnic's portfolio investments are classified as Level 1 financial instruments for which the fair value is determined based on quoted prices in active markets for identical assets. There were no transfers among levels for the years ended June 30, 2021 and 2020.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

7. Obligation under capital leases

	2021	2020
Balance, beginning of year	\$ 1,447	\$ 913
Additions during the year	738	747
Lease payments	(437)	(213)
	\$ 1,748	\$ 1,447

Minimum lease payments, including principal and interest, are as follows:

2022	\$ 544
2023	532
2024	368
2025	321
2026	150
Less amount representing interest	(167)
Present value of minimum lease payments	\$ 1,748

Interest rates on the leases range from 2.34% to 6.92% (2020 – 2.34% to 6.25%). Interest expensed during the year amounted to \$92 (2020 – \$53). The minimum lease payment value includes amounts for residual guarantees at the conclusion of lease terms.

8. 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.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

8. Employee future benefits (continued)

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

	2021	2020
Actuarial valuation date	April 30, 2021	May 31, 2018
Extrapolation date	June 30, 2021	June 30, 2020
Significant long-term assumptions used:		
Salary escalation (excluding step increases)	2.00%	2.00%
Discount rate	2.20%	1.70%
Estimated average remaining service life	9 years	9 years
Liability for employee future benefits:		
Accrued benefit obligation, beginning of year	\$ 3,098	\$ 3,066
Current period benefit cost	251	226
Interest cost	53	76
Benefit payments	(406)	(447)
Actuarial loss	(139)	177
Accrued benefit obligation, end of year	\$ 2,857	\$ 3,098
Unamortized net actuarial loss	(386)	(603)
Liability for employee future benefits	\$ 2,471	\$ 2,495
Employee future benefits expense:		
Current service cost	\$ 251	\$ 226
Interest cost on benefits	53	76
Amortization of net actuarial loss	78	85
Total employee future benefits expense	\$ 382	\$ 387

9. Pension plans

Saskatchewan Polytechnic employees participate in various multi-employer defined benefit and defined contribution pension plans. These plans are administered by the Ministry of Finance. Employer contributions of \$10,218 (2020 - \$10,078) were expensed during the year. Employer obligations associated with the defined benefit plans are the responsibility of the General Revenue Fund of the Government of Saskatchewan.

10. Debt

	2021	2020
RBC revolving bankers' acceptance loan	648 \$	752

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, 2021 was 0.74% annualized (2020 - 0.87%). Interest expense on the BAs for the year was \$5 (2020 - \$17).

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

10. Debt (continued)

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 the line of credit debt was nil (2020 – nil).

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

2022	\$	104
2023		104
2024		104
2025		104
2026		104
Thereafter		128
	\$	648

11. Deferred revenue

	Opening balance	Receipts during year	Recognized as revenue	Ending balance 2021
Grants and contractual services:				
Government of Saskatchewan	\$ 731	\$ 187,548	\$ (188,263)	\$ 16
Government of Canada	512	6,958	(7,461)	9
Other governments	201	402	(603)	-
Non-government	297	3,753	(2,933)	1,117
Tuition and fees	17,285	63,135	(53,259)	27,161
Donations	8,043	3,073	(616)	10,500
	\$ 27,069	\$ 264,869	\$ (253,135)	\$ 38,803

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.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

12. Tangible capital assets

	Land	Buildings	Leasehold improvements	Furniture & equipment	Computers & software	Library	2021
Cost:							
Opening balance	\$ 6,212	\$ 9,549	\$ 73,177	\$ 80,053	\$ 22,441	\$ 7,042	\$ 198,474
Additions	-	-	1,398	3,488	3,022	105	8,013
Disposals	-	-	-	(584)	(421)	(1)	(1,006)
Closing balance	6,212	9,549	74,575	82,957	25,042	7,146	205,481
Accumulated amortization:							
Opening balance	-	3,119	50,914	65,131	17,396	6,494	143,054
Amortization	-	338	3,690	4,171	2,136	224	10,559
Disposals	-	-	-	(565)	(418)	-	(983)
Closing balance	-	3,457	54,604	68,737	19,114	6,718	152,630
Net book value	\$ 6,212	\$ 6,092	\$ 19,971	\$ 14,220	\$ 5,928	\$ 428	\$ 52,851

	Land	Buildings	Leasehold improvements	Furniture & equipment	Computers & software	Library	2020
Cost:							
Opening balance	\$ 6,212	\$ 9,549	\$ 71,586	\$ 77,977	\$ 21,183	\$ 6,879	\$ 193,386
Additions	-	-	1,591	3,568	2,944	163	8,266
Disposals	-	-	-	(1,492)	(1,686)	-	(3,178)
Closing balance	6,212	9,549	73,177	80,053	22,441	7,042	198,474
Accumulated amortization:							
Opening balance	-	2,781	47,277	62,330	17,234	6,227	135,849
Amortization	-	338	3,637	4,218	1,846	267	10,306
Disposals	-	-	-	(1,417)	(1,684)	-	(3,101)
Closing balance	-	3,119	50,914	65,131	17,396	6,494	143,054
Net book value	\$ 6,212	\$ 6,430	\$ 22,263	\$ 14,922	\$ 5,045	\$ 548	\$ 55,420

At June 30, 2021, the tangible capital asset balance included capital assets under development of \$1,859 (2020 – \$624).

At June 30, 2021, the tangible capital asset balance included equipment under capital leases with a cost of \$2,570 (2020 – \$1,832) and accumulated amortization of \$790 (2020 – \$421).

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 \$7 (2020 – \$691).

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.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

13. Accumulated surplus

a. Composition of accumulated surplus

	2021	2020
Investment in tangible capital assets	\$ 50,455	\$ 53,221
Student housing reserve	771	740
Unfunded employee future benefits	(2,471)	(2,495)
Restricted government transfers	10,284	1,643
Unrestricted operating surplus	6,102	4,981
Accumulated surplus	\$ 65,141	\$ 58,090

b. Investment in tangible capital assets

	2021	2020
Tangible capital assets	\$ 52,851	\$ 55,420
Obligation under capital leases	(1,748)	(1,447)
Debt	(648)	(752)
Investment in tangible capital assets	\$ 50,455	\$ 53,221

c. Restricted government transfers

	2021	2020
Government of Saskatchewan:		
Capital projects	6,061	281
Academic initiatives	2,401	1,172
Applied research	387	-
Scholarships	97	190
Government of Canada:		
Academic initiatives	301	-
Applied research	1,037	-
Restricted government transfers	\$ 10,284	\$ 1,643

d. Change in unrestricted operating surplus

	2021	2020
Unrestricted operating surplus, beginning of year	\$ 4,981	\$ 3,200
Annual surplus (deficit)	7,051	(733)
Decrease in investment in tangible capital assets	2,766	2,530
Increase in student housing reserve	(31)	-
Decrease in employee future benefits liability	(24)	(60)
Decrease (increase) in restricted government transfers	(8,641)	44
Unrestricted operating surplus, end of year	\$ 6,102	\$ 4,981

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

14. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Polytechnic has the following significant contractual rights with the federal government and the Saskatchewan Apprenticeship and Trade Certification Commission (SATCC):

		2022	2023	Thereafter	Total
Federal	Language instruction services	\$ 4,020	\$ 4,099	\$ 7,283	\$ 15,402
Federal	Promote opportunities in the skilled trades	592	417	1,612	2,621
SATCC	Apprenticeship training services	13,000	-	-	13,000
		\$ 17,612	\$ 4,516	\$ 8,895	\$ 31,023

15. 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 SaskBuilds and Procurement. 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
2022	\$ 32,873	\$ 2,870	\$ 35,743
2023	33,530	1,447	34,977
2024	34,201	1,161	35,362
2025	34,885	889	35,774
2026	35,583	417	36,000

b. Capital projects

The estimated cost to complete major capital projects in progress at June 30, 2021 is approximately \$11,724 (2020 – \$116).

c. Outstanding legal claims

The nature of Saskatchewan Polytechnic's activities is such that there may be litigation pending at any time. Saskatchewan Polytechnic records a liability, on a case-by-case basis, if the expected loss is both probable and can be reasonably estimated. As at June 30, 2021, an amount of nil has been accrued (2020 - \$175) for outstanding legal claims that management has determined meet the criteria for recording a liability under PSAS.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

16. Gifts

In 2020, the Polytechnic entered into a multi-year gift agreement to receive a donation in the amount of \$5,000 from the Joseph Alfred Remail Foundation ("the Donor"). In recognition of the gift, the former School of Construction has been renamed the Joseph A. Remail School of Construction at Saskatchewan Polytechnic. The gift has been provided by the Donor to support the Polytechnic's efforts towards the development of a new campus to replace its multiple location campus in Saskatoon. Of the \$5,000, \$3,100 has been received. The remaining \$1,900 will be paid in annual instalments over the next two years.

17. Expense by object

	Budget 2021	2021	2020
Salaries and benefits (Notes 8 and 9)	\$ 173,548	\$ 175,965	\$ 178,922
Facilities	33,782	33,527	33,292
Operational supplies and expenses	24,633	24,808	24,453
Cost of goods sold	3,274	3,409	5,277
Amortization (Note 12)	9,787	10,559	10,306
Travel and professional development	2,757	941	2,917
Equipment rental and repairs	1,805	1,135	1,643
Scholarships and awards	1,497	1,436	2,044
Gain on disposition of capital assets	-	(67)	(160)
	\$ 251,083	\$ 251,713	\$ 258,694

18. Net change in non-cash operating balances

	2021	2020
Accounts receivable	\$ 1,603	\$ (2,380)
Inventories for resale	(541)	650
Accounts payable and accrued liabilities	1,989	554
Salaries and benefits payable	117	2,902
Deferred revenue	11,734	4,254
Prepaid expenses	87	8
	\$ 14,989	\$ 5,988

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

19. Budgeted figures

Budgeted figures have been provided for comparison purposes and reflect the 2020-21 Business Plan, approved by the Board of Directors on June 26, 2020. The budget for 2022 was approved by the Board of Directors on May 13, 2021 as part of the 2021-24 Multi-Year Business Plan.

20. 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, obligation under capital leases 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. 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 10) is also available to provide additional funds to meet short-term current and forecasted financial requirements.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2021

(in thousands of dollars)

21. 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 the shared control of the Government of Saskatchewan. Related parties of the Polytechnic also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

During the year, grant and contractual services revenue of \$188,263 (2020 – \$177,209) was recognized from related parties, the majority of which was provided by the Ministry of Advanced Education.

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

	2021	2020
Accounts receivable	\$ 532	\$ 497
Accounts payable and accrued liabilities	2,362	1,546
Acquisition of tangible capital assets	1,758	1,223
Non-grant and contractual services revenue	1,797	2,770
Expenses	37,924	38,734

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

22. Impact of COVID-19 pandemic

In March 2020, the World Health Organization declared a global pandemic related to the coronavirus known as COVID-19. The impacts on the economy have been far-reaching and the Canadian post-secondary education sector has been impacted directly by measures taken to limit the spread of the virus, such as physical distancing requirements and restrictions on international travel.

The Polytechnic undertook strategies and actions to respond to the pandemic with the health and safety of students, faculty and staff as a priority. The Polytechnic delivered most of its curriculum online and the majority of faculty and staff worked from home throughout the year. The impact on the Polytechnic's financial results related to the pandemic included revenue declines in ancillary operations and tuition revenue due to campus closures and travel restrictions on international students. In anticipation of these revenue shortfalls, the Polytechnic's 2020-21 Business Plan contained strategic cost-cutting measures, including delayed implementation of institutional projects and the suspension and deferral of some program offerings. Additionally, a \$4 million contingency to mitigate the impacts of the revenue losses was included in the 2020-21 budget.

The Polytechnic's 2021-24 Multi-Year Business Plan is based on a phased-in reopening of campuses for the fall of 2021 and includes recoveries in tuition and ancillary revenues as public health measures and travel restrictions are eased. However, the ultimate duration and magnitude of the pandemic's impact on the Polytechnic's operations and financial condition cannot be fully estimated at this time.

**MOOSE JAW**

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

PRINCE ALBERT

1100-15TH ST E
Prince Albert SK S6V 7S4

REGINA

4500 Wascana Pky
PO Box 556
Regina SK S4P 3A3

SASKATOON

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

Administrative Offices

400-119 4th Ave S
Saskatoon SK S7K 5X2
1-866-467-4278

saskpolytech.ca/reports