

**SASKATCHEWAN  
POLYTECHNIC**

Tomorrow  
in the making

# ANNUAL REPORT

## 2019-2020





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## LETTER OF TRANSMITTAL

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

September 25, 2020

The Honourable Tina Beaudry-Mellor  
Minister of Advanced Education  
Government of Saskatchewan  
Regina SK S4S 0B3

Dear Minister Beaudry-Mellor:

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, 2020.

Respectfully submitted,

Mitchell Holash, QC  
Chair, Saskatchewan Polytechnic Board of Directors

## MESSAGE FROM CHAIR

As the province's only polytechnic, Saskatchewan Polytechnic has distinguished itself as a leader in hands-on learning, applied research and strong partnerships with business and industry. The institution plays an essential role throughout Saskatchewan, contributing \$2.2 billion to the provincial economy and strengthening the communities it serves.

I am proud of the work that Saskatchewan Polytechnic accomplished during 2019-2020, all of which was focused on preparing today's students for rewarding careers and the jobs of tomorrow. From receiving national and international recognition for our students and programs, to receiving the largest private gift in the institution's history, there is much to celebrate.

I am also proud of the commitment and dedication of our instructors and staff throughout this period. Given the COVID-19 pandemic and its effect on every person and aspect of the institution, the resilience, determination and commitment to quality post-secondary education of the Saskatchewan Polytechnic team is noteworthy.

Throughout the pandemic, Saskatchewan Polytechnic graduates were on the front lines, providing essential services in fields ranging from health care to safety to technology. Ensuring that tomorrow's graduates have the skills to thrive and prosper in a world filled with disruption will continue to be a priority for years to come.

Sincerely,

Mitchell Holash, QC  
Chair, Saskatchewan Polytechnic Board of Directors



## MESSAGE FROM PRESIDENT & CHIEF EXECUTIVE OFFICER

The COVID-19 crisis had a profound impact on Saskatchewan Polytechnic in 2019-20.

Beginning in early 2020, we began to monitor and plan for how best to respond to what eventually became the most devastating global pandemic in more than a century. When it became clear in March 2020 that large gatherings would likely cause the coronavirus to spread, threatening the health and safety of everyone, we followed the recommendations from the Chief Medical Health Officer of Saskatchewan and the Ministry of Advanced Education and shut down campuses and quickly transitioned to learning and working remotely.

This rapid mobilization, which occurred over just a few days, was a remarkable achievement for our institution. It not only demonstrated tremendous agility and creativity, but also showed the incredible dedication of our faculty, staff and students. Of this, I am truly proud.

Despite the disruption of the pandemic, Saskatchewan Polytechnic finished 2019-20 with many notable accomplishment, which are outlined in this annual report.

As we look toward the future, two things are clear. First, the health and safety of the Saskatchewan Polytechnic community continues to be our number one priority. And second, realizing that polytechnic education can lead to long and successful careers, our commitment to the success of our students is as strong as ever.

Sincerely,

Dr. Larry Rosia,  
President & CEO

## INSTITUTIONAL CONTEXT

Saskatchewan Polytechnic is Saskatchewan's only polytechnic and the province's primary institution for post-secondary applied education and research. The institution fuels provincial growth by providing qualified, work-ready graduates to meet labour market demand. It is committed to offering a broad range of educational experiences that are student-centred and employer-responsive.

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 a recent economic impact analysis conducted by Emsi. The 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 and degree programs and apprenticeship technical training to students 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 Technical Institute.

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.

Through the Prior Learning Assessment and Recognition (PLAR) process, students can seek academic credit for knowledge gained through life and work experience. Dual credit courses allow students to take select Saskatchewan Polytechnic courses as part of their high school studies, earning both secondary and post-secondary credits at the same time. Additionally, the institution offers transfer credit opportunities to provide students greater flexibility, return on investment and potential savings on tuition and expenses.

Saskatchewan Polytechnic is focused on applied research and work-integrated, hands-on learning. This, coupled with strong ties to business and industry, prepares students 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 students with quality experiential education. Approximately two-thirds of Saskatchewan Polytechnic programs offer a work-integrated learning component. Work-integrated learning gives students 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 almost 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, 92 per cent of all graduates and 83 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

The health, safety and security of students and employees are of utmost importance to Saskatchewan Polytechnic. Throughout the COVID-19 pandemic, the institution followed the advice of the Saskatchewan's Chief Medical Health Officer and the Ministry of Advanced Education.

Saskatchewan Polytechnic put a team in place to monitor information on COVID-19 and identify possible impacts to the campus communities. The Pandemic Emergency Response Team (PERT) was led by Health, Safety and Security, and included employees from key areas across the institution. Under the guidance of the Emergency Management Committee, PERT monitored COVID-19 and developed measures in response to the emerging situation.

The PERT supported the institution in making decisions around travel, procuring supplies such as masks and sanitizers and deploying information and signage on our campuses acknowledging the virus and encouraging hygiene and distancing to prevent the spread.

In January 2020, the first employee email update was sent and [saskpolytech.ca/coronavirus](https://saskpolytech.ca/coronavirus) was created. An FAQ page was one of the first additions to the COVID-19 webpage. Additional webpages were created on March 16—less than 24 hours after Saskatchewan Polytechnic announced it had suspended in-person classes and programming for the remainder of the week. On March 18 the Government of Saskatchewan declared a provincial state of emergency and Saskatchewan Polytechnic advised students and employees on March 23 that classes had moved to online or alternative delivery options where possible to reduce the risk of COVID-19 transmission. From that time:

- More than 90 per cent of Saskatchewan Polytechnic programs were moved to online or remote delivery.
- More than 30 email updates were sent to students, faculty and staff.
- Regular updates on [saskpolytech.ca/coronavirus](https://saskpolytech.ca/coronavirus) and social media kept the community informed.



- Regular meetings among Saskatchewan Polytechnic, the universities, regional colleges and Ministry of Advanced Education contributed a sector-wide approach to pandemic planning.

In May Saskatchewan Polytechnic announced it would be providing its fall programs via a combination of online/distance instruction and limited in-person learning experiences, in alignment with all Saskatchewan post-secondary institutions. This decision would give students the best chance of academic success in the ever-changing environment of the global pandemic. Theory would be taught online or by distance learning. Hands-on training that cannot be completed online would take place on campus. All faculty, staff and students accessing campus for in-person training would adhere to strict guidelines approved by public health officials and follow criteria set by Saskatchewan's Chief Medical Health Officer.

## 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:

- courses and programs of study, instruction or training and related services, in academic, scientific, trade, technical, technological and vocational fields of education;
- subject to *The Degree Authorization Act*, university programs, by agreement and on the basis agreed to with any university within or outside Saskatchewan;
- 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*;
- courses, programs and seminars of a continuing education nature;
- credit programs through a regional college as defined in *The Regional Colleges Act*;
- student services, career counselling, adult basic education, language training, literacy programming and newcomer integration services;
- 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;
- services to encourage and support scholarly activity related to programs of study provided by the polytechnic; and,
- 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 for all organizations. Saskatchewan Polytechnic has adopted a strategic planning system that combines forward-looking, long-term strategic planning, annual multi-year planning and annual reporting, all of which are integrated into every level of the institution. To ensure Saskatchewan Polytechnic demonstrates accountability to its diverse stakeholders, a balanced scorecard framework has been adopted.

To provide a clear line of sight from performance plans to the strategic plan, institutional priorities are set and then cascaded to individual performance objectives each year. To monitor

progress and provide comprehensive metrics, financial results, performance indicators and institutional risk are reported annually.

Several foundational components communicate, monitor and report progress:

## COMMUNICATE

### **Strategic Plan – *Tomorrow in the Making: Strategic Plan 2014-20***

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.

### **Strategic Plan – *2020 and Beyond***

Since April 2019 Saskatchewan Polytechnic began work to develop a new strategic plan. Development of the new plan was guided by the institution's values of respect, integrity, sustainability and excellence. It was informed by a survey of key stakeholders, including students, alumni, employees, government ministries, industry partners, post-secondary institutions and others. Respondents were asked about Saskatchewan Polytechnic's strengths and weaknesses, the opportunities and threats facing the institution over the next ten years, and how Saskatchewan Polytechnic should evolve to best meet the future. As the plan began to take shape, the president and CEO led town hall sessions at all four campuses and engaged with external stakeholders to gather additional feedback.

Saskatchewan Polytechnic's new strategic plan will 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 2020-21 operational plans. The new plan will also support objectives set in the Saskatchewan Growth Plan.

### **Strategic Execution Plan**

The strategic execution plan sets out key tactical elements and projects that will be implemented in order to achieve the strategic goals.

## 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 institutional strategies with goals and initiatives.

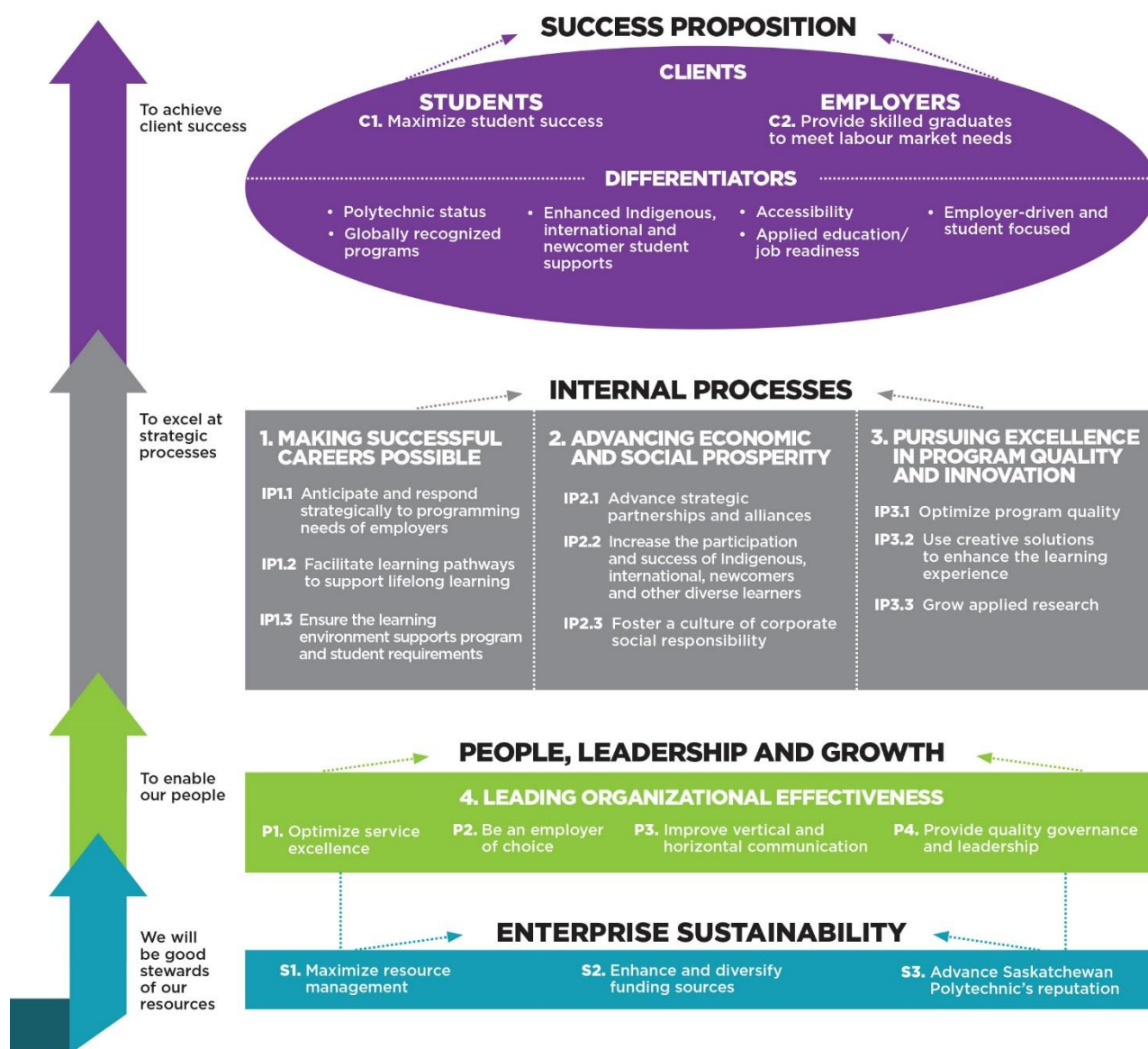
## REPORT

### **Annual Report**

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

## STRATEGY MAP

The strategy map was developed with stakeholder input and research into post-secondary trends. The vision and mission define the institution's intended outcomes. The remainder of the strategy map (read from bottom up) tells the story of the strategy through themes and goals. Note that a new strategy map, along with a new vision and mission, will replace the map below in the 2020-21 fiscal year.



# STATISTICS

## ACADEMIC YEAR 2019-20

# STATISTICS

ACADEMIC YEAR 2019-20

## GRADUATES

NUMBER OF GRADUATES*	SASK POLYTECH DELIVERED	BROKERED	TOTAL
Applied Certificate	305	124	429
Certificate	1,444	337	1,781
Advanced Certificate	85	-	85
Post-Grad Certificate	235	-	235
Diploma	932	45	977
Degree – standalone*	16	-	16
Certificate of Achievement	178	-	178
Advanced Diploma	10	-	10
<b>Total</b>	<b>3,205</b>	<b>506</b>	<b>3,711</b>

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

\* Regional colleges are contracted to deliver some of Saskatchewan Polytechnic's credentialed programs. In previous annual reports, student and graduate statistics reflect the total of programs delivered by Saskatchewan Polytechnic as well as those delivered by regional colleges. In order to improve clarity, these statistics are reported separately in this report.

## PROGRAMMING

NUMBER OF POST-SECONDARY PROGRAMS*	SASK POLYTECH DELIVERED
Applied Certificate	35
Certificate	46
Advanced Certificate	10
Diploma	54
Degree	2
Post-Grad Certificate	6
Apprenticeship	26
Advanced Diploma	1
Certificate of Achievement	7
<b>Total</b>	<b>187</b>

\* 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	96%
Construction	84%
Health Sciences	98%
Hospitality & Tourism	81%
Human Services & Community Safety	91%
Information & Communication Technology	92%
Mining, Energy & Manufacturing	83%
Natural Resources & Built Environment	87%
Nursing	98%
Transportation	91%

### OVERALL GRADUATE EMPLOYMENT RATE\*

**92%**

### INDIGENOUS GRADUATE EMPLOYMENT RATE

**83%**

### VISIBLE MINORITY EMPLOYMENT RATE

**96%**

### GRADUATE SATISFACTION RATE

**93%**

### GRADUATES EMPLOYED IN SASKATCHEWAN

**94%**

### EMPLOYER SATISFACTION RATE\*\*

**94%**

### GRADUATE AVERAGE ANNUAL SALARY

**\$48,394**

\* Based on survey of graduates from Saskatchewan Polytechnic delivered programs six to twelve months following graduation.

\*\* Based on 2018 Employer Survey. The Employer Survey is conducted every two years. The 2020 survey was delayed due to the COVID-19 pandemic.

## STUDENTS

### INTERNATIONAL STUDENT ENROLMENT

COUNTRY OF ORIGIN	SASK POLYTECH DELIVERED	BROKERED	TOTAL
India	1,351	16	1,367
Nigeria	73	-	73
China	37	1	38
Philippines	37	-	37
Vietnam	35	-	35
South Korea	22	-	22
Bangladesh	17	-	17
Jamaica	16	-	16
Brazil	6	-	6
China (Taiwan)	4	-	4
Other	45	41	86
<b>Total</b>	<b>1,643</b>	<b>58</b>	<b>1,701</b>
<b>Distinct International Student Headcount*</b>	<b>1,541</b>	<b>57</b>	<b>1,597</b>

\* A student can be enrolled in more than one program or level of training in an academic year. The number of distinct students may be less than the sum of the program enrolment totals. In addition, students may have attended both a Sask Polytech delivered program and a brokered program in an academic year. The total headcount may be less than the sum of headcounts for Sask Polytech delivered and brokered programs.

### EQUITY ENROLMENT PARTICIPATION

DESIGNATED GROUP OF STUDENTS	SASK POLYTECH DELIVERED			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA-DEGREE	
	#	%	#	%
Indigenous Enrolment	2,613	18%	1,207	14%
Disabled Enrolment	1,074	7%	737	8%
Visible Minorities Enrolment	1,077	7%	784	9%
Female Enrolment	7,068	47%	5,144	58%

## EQUITY ENROLMENT PARTICIPATION (CONTINUED)

DESIGNATED GROUP OF STUDENTS	BROKERED			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA-DEGREE	
	#	%	#	%
Indigenous Enrolment	590	39%	590	39%
Disabled Enrolment	46	3%	46	3%
Visible Minorities Enrolment	41	3%	41	3%
Female Enrolment	1,078	71%	1,078	71%

DESIGNATED GROUP OF STUDENTS	TOTAL			
	ALL PROGRAMS		CERTIFICATE-DIPLOMA-DEGREE	
	#	%	#	%
Indigenous Enrolment	3,203	19%	1,797	17%
Disabled Enrolment	1,120	7%	783	8%
Visible Minorities Enrolment	1,118	7%	825	8%
Female Enrolment	8,146	50%	6,222	60%

## ENROLMENT BY CAMPUS

ENROLMENT BY CAMPUS*	SASK POLYTECH DELIVERED				
	SASKATOON	REGINA	MOOSE JAW	PRINCE ALBERT	TOTAL
Basic Education	1,286	1,162	182	418	3,048
Apprenticeship	1,572	61	864	527	3,024
Base Certificate/Diploma/Degree	2,611	2,146	1,659	864	7,280
Continuing Education Certificate/Diploma	714	651	13	197	1,575
<b>Total</b>	<b>6,183</b>	<b>4,020</b>	<b>2,718</b>	<b>2006</b>	<b>14,927</b>

\* 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	2,175	873	3,048	-	-	-	2,175	873	3,048
Apprenticeship	2,892	132	3,024	-	-	-	2,892	132	3,024
Cert-Dip-Degree Base	6,777	503	7,280	-	-	-	6,777	503	7,280
Sask Polytech Delivery only	5,313	492	5,805	-	-	-	5,313	492	5,805
Joint-Degree	1,464	11	1,475	-	-	-	1,464	11	1,475
Cert-Dip-Degree Con Ed	541	1,034	1,575	1,183	329	1,512	1,724	1,363	3,087
<b>All Levels</b>	<b>2,175</b>	<b>873</b>	<b>14,927</b>	<b>1,183</b>	<b>329</b>	<b>1,512</b>	<b>13,568</b>	<b>2,871</b>	<b>16,439</b>
<b>Distinct students enrolled in programs</b>	<b>14,322</b>			<b>1,424</b>			<b>15,708</b>		

## 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	1,619	329	1,948	-	-	-	1,619	329	1,948
Apprenticeship	1,063	3	1,066	-	-	-	1,063	3	1,066
Cert-Dip-Degree Base	6,809	134	6,943	-	-	-	6,809	134	6,943
Sask Polytech Delivery only	6,198	134	6,332	-	-	-	6,198	134	6,332
Joint-Degree	611	-	611	-	-	-	611	-	611
Cert-Dip-Degree Con Ed	551	978	1,529	1,316	38	1,354	1,867	1,016	2,883
<b>Total Credit Activity</b>	<b>10,042</b>	<b>1,444</b>	<b>11,486</b>	<b>1,316</b>	<b>38</b>	<b>1,354</b>	<b>11,358</b>	<b>1,482</b>	<b>12,840</b>
<b>Total Non-Credit Activity</b>	<b>0</b>	<b>116</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>116</b>
<b>All Levels</b>	<b>10,042</b>	<b>1,560</b>	<b>11,602</b>	<b>1,316</b>	<b>38</b>	<b>1,354</b>	<b>11,358**</b>	<b>1,598</b>	<b>12,956</b>
<b>Distinct students (programs and courses)</b>	<b>23,513</b>			<b>1,503</b>			<b>24,854</b>		

\* 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.

\*\*There are 147 program related registration records without a FLE value due to data integration issues.



## COURSE REGISTRATION

COURSE REGISTRATION	SASK POLYTECH DELIVERED	BROKERED	TOTAL
Basic Education	2,287	1	2,288
Apprenticeship	71	-	71
Cert-Dip-Degree Base	1,539	-	1,539
Sask Polytech Delivery only	1,539	-	1,539
Joint-Degree	-	-	-
Cert-Dip-Degree Con Ed	15,027	612	15,639
<b>Total Credit Activity</b>	<b>18,924</b>	<b>613</b>	<b>19,537</b>
<b>Total Non-Credit Activity</b>	<b>6,063</b>	<b>3</b>	<b>6,066</b>
<b>All Levels</b>	<b>24,987</b>	<b>616</b>	<b>25,603</b>
<b>Distinct students registered in courses</b>	<b>13,315</b>	<b>181</b>	<b>13,455</b>

## FACULTY AND STAFF

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

	ACADEMIC		PROFESSIONAL SERVICES		OUT-OF-SCOPE		TOTALS	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Moose Jaw</b>	176	155	87	84	10	11	272	251
<b>Prince Albert</b>	103	99	61	56	13	13	177	168
<b>Regina</b>	271	254	149	141	33	30	453	425
<b>Saskatoon</b>	442	415	190	178	43	39	675	633
<b>Admin. Office</b>	-	1	61	65	59	55	119	121
<b>Totals</b>	<b>992</b>	<b>925</b>	<b>547</b>	<b>524</b>	<b>158</b>	<b>148</b>	<b>1,697</b>	<b>1,597</b>

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

While Saskatchewan Polytechnic has 18 goals and a broad suite of success measures, senior management adopted a focus-and-finish approach to respond effectively to the fiscal realities facing the institution. The following achievements position the institution toward its vision for 2020.

See page nine for Saskatchewan Polytechnic's goals.

### C1. STUDENTS AND C2. EMPLOYERS

#### MAXIMIZE STUDENT SUCCESS

#### PROVIDE SKILLED GRADUATES TO MEET LABOUR MARKET NEEDS

Saskatchewan Polytechnic's students are successful when they realize their academic and employment goals. The institution is committed to supporting students from diverse groups as they complete their training and find employment in their field of study.

#### STRATEGIC ENROLMENT MANAGEMENT

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

#### ACADEMIC MODEL

In 2016-17, Saskatchewan Polytechnic introduced a new academic model: *Tomorrow's Learning in the Making*. In 2019-20, work continued on implementation of the academic model, with about two-thirds of the components now partially or fully operationalized. Efforts focused on Indigenization of curriculum and teaching practice, intercultural competencies and ensuring program quality through review and revision.

The COVID-19 pandemic has challenged academic leaders to consider a wide range of program and delivery formats, which build on the academic model element of flexible student pathways. Further development of this element will be informed by the lessons learned through distance program delivery.

In conjunction with the institution's new strategic plan, the academic model will shift to a new academic plan, to be finalized in the 2020-21 academic year. The new plan will align Saskatchewan Polytechnic's academic programming with the Government of Saskatchewan's Growth Plan 2020-30, the government's expectations for the post-secondary sector and the Ministry of Advanced Education's and Ministry of Immigration and Career Training's plans for 2020-21.

## HEALTH, SAFETY AND WELL-BEING

Saskatchewan Polytechnic is committed to building a culture of wellness for students and employees. Saskatchewan Polytechnic's wellness model offers students a holistic approach to wellness through the dimensions of life, mind, body and community.

Employee training opportunities include:

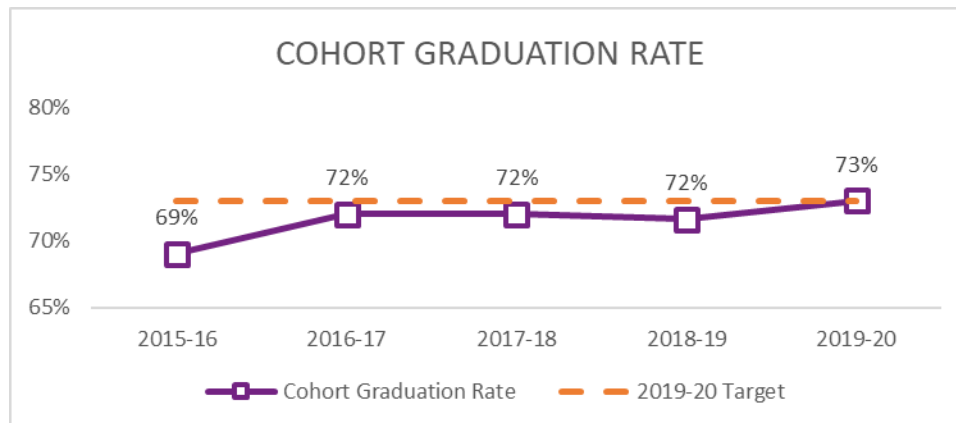
- Workplace Hazardous Materials Information System training, completed by 1,100 since January 2020.
- *Respect at Saskatchewan Polytechnic*, completed by 474 employees to date.
- *The Working Mind* mental health first-aid training, completed by 581 employees to date.

Resources and training have been adapted to serve students and employees effectively throughout the COVID-19 pandemic. Many training programs have been moved to an online or remote format to support employees working from home. Wellness resources put significant focus on mental health supports to help students and employees manage the many stresses created by the pandemic.

## BALANCED SCORECARD RESULT:

### COHORT GRADUATION RATE

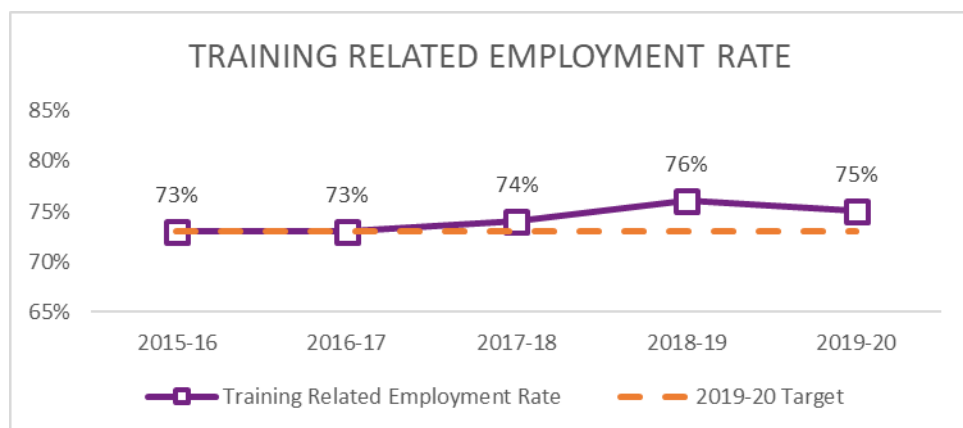
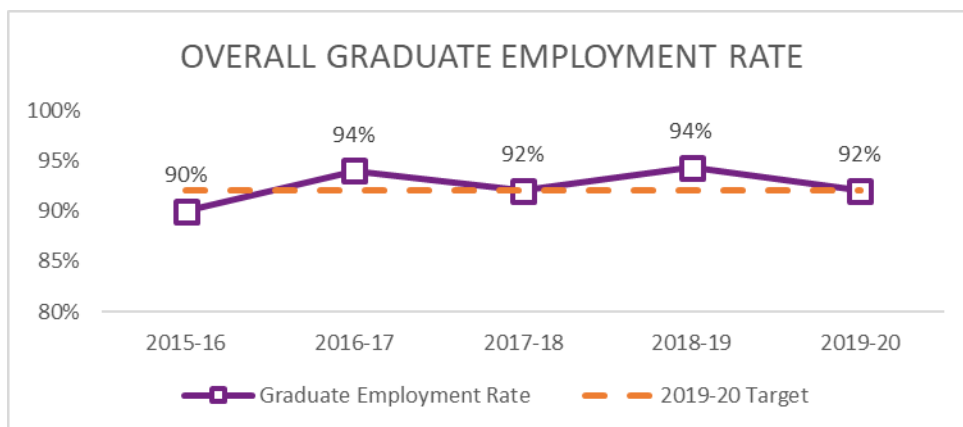
The cohort graduation rate measures the percentage of a group of first-time students at 1.5 years out from the expected program completion date. Saskatchewan Polytechnic's cohort graduation rate has remained steady over the past four years.



## BALANCED SCORECARD RESULT:

### OVERALL GRADUATE EMPLOYMENT RATE AND TRAINING RELATED EMPLOYMENT RATE

Saskatchewan Polytechnic's commitment to providing skilled graduates to meet labour market needs is demonstrated by consistently high graduate employment rates. The two key indicators look at overall graduate employment and self-identified training-related employment rates.



## MAKING SUCCESSFUL CAREERS POSSIBLE

### IP1.1 ANTICIPATE AND RESPOND STRATEGICALLY TO PROGRAMMING NEEDS OF EMPLOYERS

Saskatchewan Polytechnic's program mix and scale are aligned to meet employers' current and future needs.

#### NEW PROGRAMS

Saskatchewan Polytechnic's high graduate employment rates are partially attributed to its ability to keep programming relevant. Using labour market demand studies and the expertise of almost 700 program advisory committee (PAC) industry members, Saskatchewan Polytechnic ensures students receive training based on current industry needs.

New programs launched in 2019-20 include the following:

#### **Bachelor of Applied Management degree**

The Bachelor of Applied Management degree is an opportunity for non-business diploma graduates and journeypersons to leverage their prior education into a bachelor's degree with as little as two additional years of study. This program adds leadership and management training to students' prior skill sets, positioning them to assume supervisory and management roles in their organizations.



### Supply Chain Management post-graduate certificate

This eight-month post-graduate certificate provides hands-on education to prepare students to succeed in the supply chain management industry in Saskatchewan and Canada. The program provides students with the tools necessary to strategize solutions to complex problems and develops their competence in planning, sourcing, producing and delivering products and services. The program is approved for advanced standing towards attaining the Supply Chain Management Professional (SCMP™) designation.

### Software Developer post-graduate certificate

The Software Developer post-graduate certificate prepares students for the challenges of developing software products and web applications for clients. The program builds knowledge and skills in technology, computer applications, data communications, data design and software analysis and design. Students gain programming experience through hands-on learning and build skills necessary to analyze and design information technology-based solutions.

### Technology Management post-graduate certificate

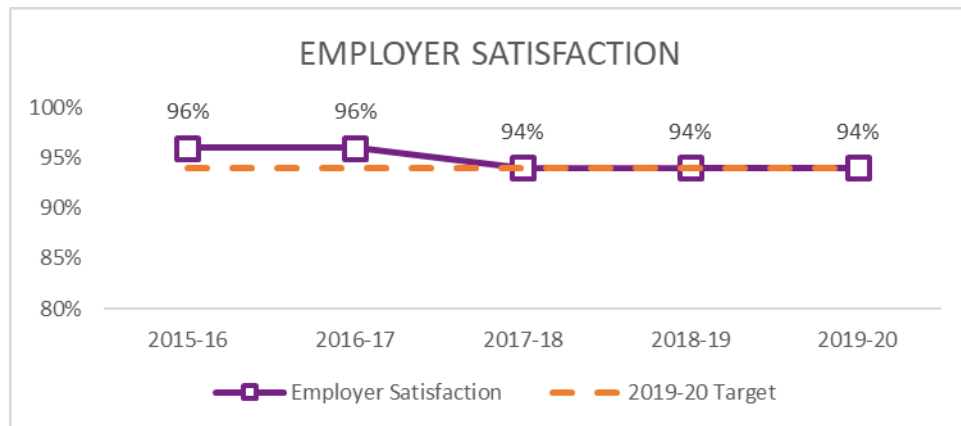
The post-graduate certificate in Technology Management prepares students for the challenges of facilitating business operations and strategy through the provision of technology infrastructure and systems development. The program covers the fundamentals of IT operations management and IT strategy, providing a high-level view of technology in an organization. It also includes agile project management and practical IT architecture in a hands-on setting.

## BALANCED SCORECARD RESULT:

### EMPLOYER SATISFACTION WITH OVERALL PREPARATION OF GRADUATE

Employer satisfaction with overall preparation of graduates for employment is consistently high over the five-year trend presented. The most current survey shows that 94 per cent of employers are satisfied with the overall preparation of graduates they hire.

Saskatchewan Polytechnic also tracks graduate satisfaction. The results from the 2019-20 Graduate Follow-up Study revealed that 93 per cent of graduates were satisfied overall with their program, the educational experience and the instruction.



## **MAKING SUCCESSFUL CAREERS POSSIBLE**

### **IP1.3 ENSURE THE LEARNING ENVIRONMENT SUPPORTS PROGRAM AND STUDENT REQUIREMENTS**

Acknowledging the student experience is enhanced by the learning environment, Saskatchewan Polytechnic continues to ensure its facilities provide an inviting and safe learning environment.

#### **CAMPUS RENOVATIONS AND RENEWAL**

The Saskatchewan Government announced a \$12 million investment in Saskatchewan Polytechnic's Moose Jaw Campus to increase usability and safety for students, faculty and staff. Renovations will enhance adaptability to changing educational needs and provide opportunities for future growth.

Although all Saskatchewan Polytechnic campuses are important in delivering programming to students, the Saskatoon Campus Renewal project has long been identified as the institution's number one capital and facilities priority. A single Saskatoon campus is required to meet student needs and provide flexible, adaptive learning space that is responsive to student and employer requirements as well as growth predictions for the province. A new Saskatoon campus will position the institution to provide skilled training for decades to come, support improved efficiencies and enable more effective use of learning technologies. In 2019-20, Saskatchewan Polytechnic continued to work with government to advance this key priority.

## **ADVANCING ECONOMIC AND SOCIAL PROSPERITY**

### **IP2.2 INCREASE PARTICIPATION AND SUCCESS OF INDIGENOUS, INTERNATIONAL, NEWCOMER AND OTHER DIVERSE LEARNERS**

Saskatchewan Polytechnic helps build the province's workforce by partnering with government, employers and other educational institutions to attract, retain and support Indigenous, international, newcomer and other diverse learners. Programs and services are offered to address the unique needs and requirements of this diverse population of students.

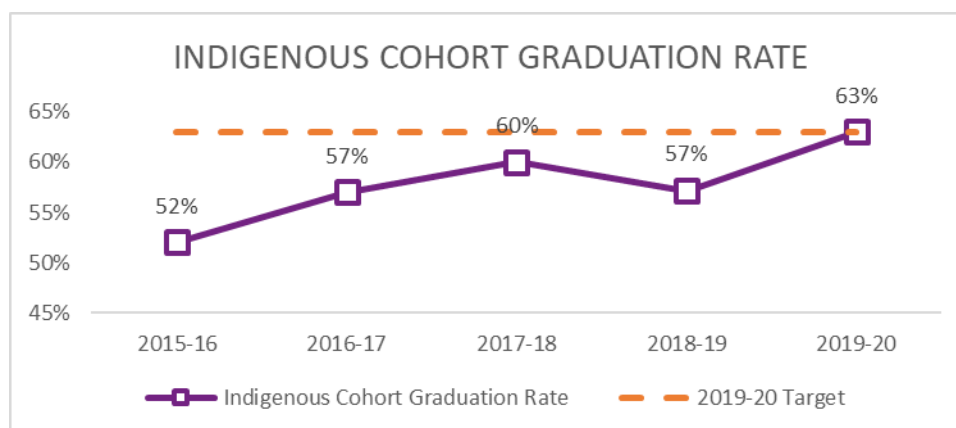
#### **INDIGENOUS STUDENT SUCCESS STRATEGY**

In 2019-20, Indigenous students represented 19.5 per cent of Saskatchewan Polytechnic's student population. 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.

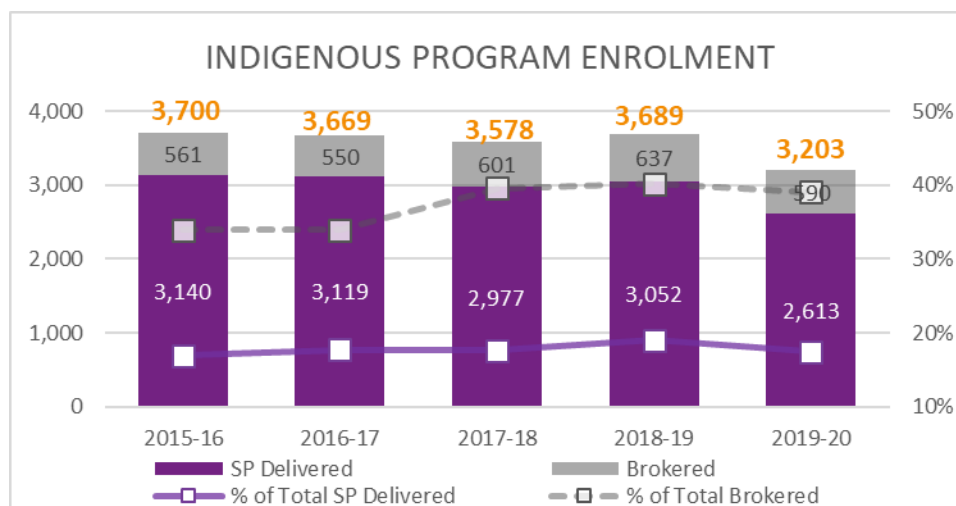
In November 2019, Saskatchewan Polytechnic hosted the Colleges and Institutes Canada Indigenous Education Symposium along with the Saskatchewan Indian Institute of Technologies and Gabriel Dumont Institute. Through the lens of reconciliation, participants learned best practices, principals, and protocols to support reconciliation within their institutions and with the Indigenous communities they serve. Over 250 national and international delegates attended the symposium.

## BALANCED SCORECARD RESULT:

### INDIGENOUS COHORT GRADUATION RATE AND PROGRAM ENROLMENT



The Indigenous cohort graduation rate increased 6 percentage points from 2018-19.



In 2019-20, there were 3,203 Indigenous program enrolments. Indigenous student enrolments represent 19.5 per cent of all program enrolments at Saskatchewan Polytechnic.

## INTERNATIONAL STUDENT SUCCESS

Saskatchewan Polytechnic is developing an international framework that will enrich students' learning, prepare them for an increasingly multicultural global workplace, enhance faculty and staff capabilities through collaborations, partnerships and experiences, meet the needs of industry and province and generate revenue.

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. Additional seats for international

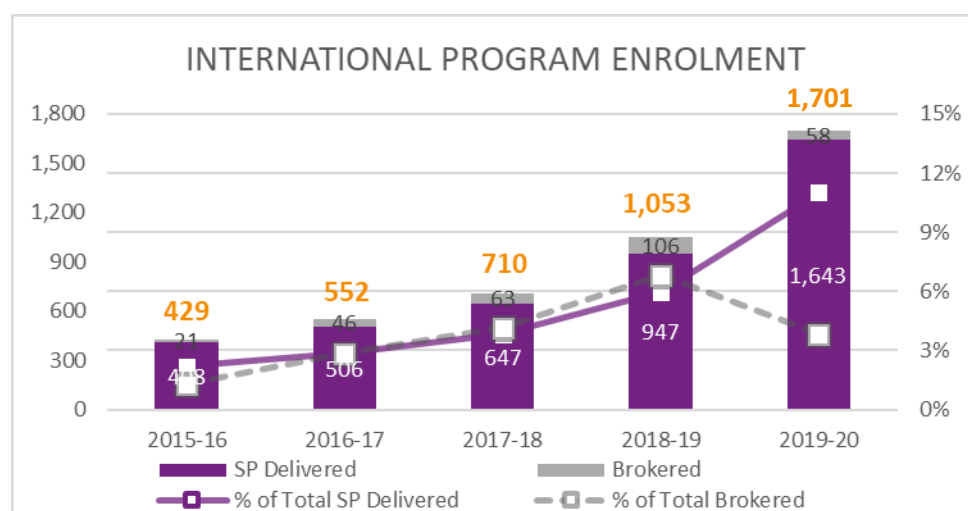
students were created and new supports were identified and implemented in the 2019-20 academic year.

The framework, which involves government, industry partners, faculty, staff, graduates and students, is founded on the following four pillars:

- **International student enrolment:** A vibrant, culturally diverse student body.
- **Intercultural competencies and experiences for students, faculty and staff:** An internationally-engaged, globally-mobile learning community.
- **International business development:** International development and transnational education projects that leverage Saskatchewan Polytechnic's expertise.
- **International applied research:** A suite of successful international applied research projects and activities that showcase Saskatchewan Polytechnic's expertise and close ties to industry.

## BALANCED SCORECARD RESULT:

### INTERNATIONAL STUDENT PROGRAM ENROLMENT



In 2019-20, Saskatchewan Polytechnic saw 1,701 international student program enrollments, 4.2 per cent higher than the previous academic year. This represents 10.3 per cent of all program enrolments at Saskatchewan Polytechnic.

## PURSUING EXCELLENCE IN PROGRAM QUALITY AND INNOVATION

### IP3.3 GROW APPLIED RESEARCH

Applied research continues to be 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.

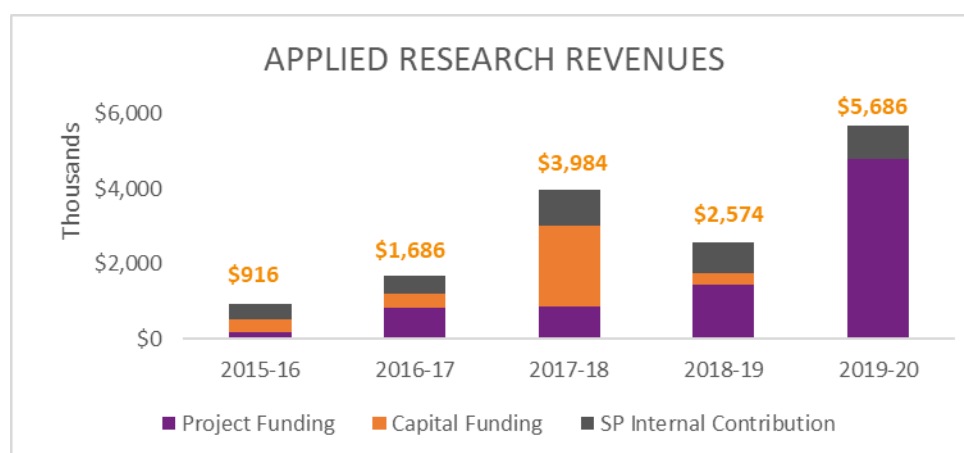
Applied research projects also provide practical education for students, including the development of critical thinking, problem solving, teambuilding, communication and entrepreneurial skills. Such research also provides faculty with an opportunity to bring their expertise to industry, while expanding 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.

In 2019-20, Saskatchewan Polytechnic's Digital Integration Centre of Excellence (DICE) became the province's first Technology Access Centre (TAC). Funded by the Natural Sciences and Engineering Research Council of Canada (NSERC) and Innovation Saskatchewan, the DICE TAC allows Saskatchewan Polytechnic researchers to start innovative new projects that benefit a broad range of industries, with a focus on Canada's agriculture and mining industries.

Noteworthy applied research results include:

- Saskatchewan Polytechnic was successful in receiving \$2 million of project funding for the DICE TAC.
- The total external funding for applied research projects grew to \$4,797,983, which is over three times what was received in the prior year.
- All of the external research revenue received was project oriented, and total external research funding showed a growth of over 275 per cent from 2018-2019.
- 60 external applied research projects were awarded in 2019-2020. An additional 80 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 RESULT: APPLIED RESEARCH REVENUES



## LEADING ORGANIZATIONAL EFFECTIVENESS P2. BE AN EMPLOYER OF CHOICE

Saskatchewan Polytechnic is a vibrant, healthy and safe institution where our employees thrive. In 2019-20, Saskatchewan Polytechnic was named one of Saskatchewan's Top 100 Employers for the fourth consecutive year. Throughout the COVID-19 pandemic, the institution provided a variety of supports to ensure the health, safety and engagement of employees. Regular communication through the Pandemic Emergency Response Team and senior leadership

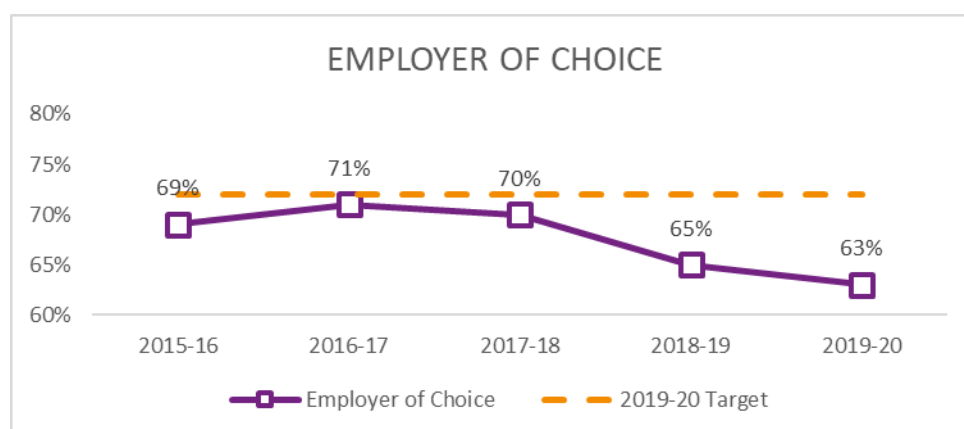


supported employees as they transitioned to working remotely and encouraged use of mental health and wellness resources.

Saskatchewan Polytechnic has invested in its employees through:

- Increasing professional development opportunities, including Leadership Fundamentals, an internal program to build excellence in leadership practice through workshops, coaching, mentoring and applied learning.
- Maintaining a healthy and safe workplace, including supports for wellness across the four dimensions of life, mind, body and community.
- Renewing its commitment to building a representative workforce through a variety of initiatives, including Indigenous Awareness Training, a self-declaration process and creation of a diversity and inclusion leadership committee.

## **BALANCED SCORECARD RESULT: EMPLOYER OF CHOICE**



The 2019-20 employee engagement survey results were generally consistent with results from the previous four years. The survey identified three priority areas of focus: professional growth, institutional vision, and student success. These priority areas are the focus of the institution's planning efforts for employees.

## **LEADING ORGANIZATIONAL EFFECTIVENESS**

### **S1. MAXIMIZE RESOURCE MANAGEMENT AND S2. ENHANCE AND DIVERSIFY FUNDING SOURCES**

Saskatchewan Polytechnic is committed to using its resources in the most efficient and effective way possible. Programs and services are continually reviewed to make sure they are providing value, meeting the institution's mandate and achieving strategic outcomes. Saskatchewan Polytechnic is also working to expand the resources available and is pursuing alternate revenue sources to reduce reliance on public funding for core operations.

#### **REVENUE PLAN**

In 2019-20, Saskatchewan Polytechnic continued to concentrate on diversifying revenue sources to grow its non-base grant revenue streams in three priority areas: international student enrolment growth, international projects and fundraising. Saskatchewan Polytechnic made progress in all three areas, including exploring potential partnerships with Chinese educational institutions, market analysis for international enrolment growth and enhancements to fundraising.

## ADVANCEMENT

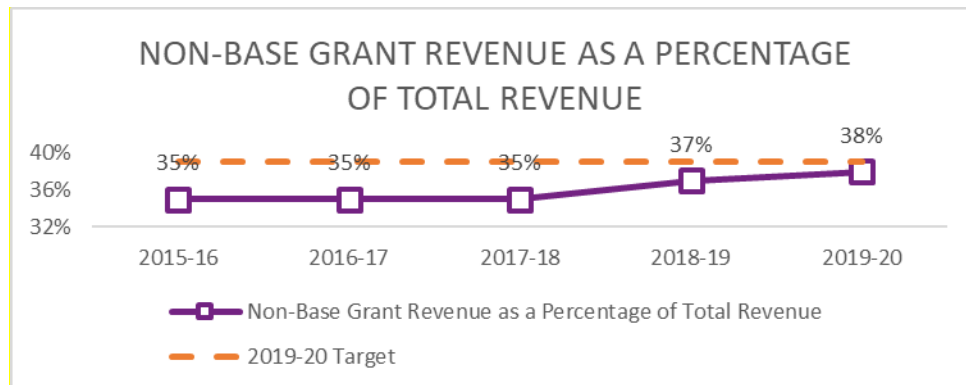
The Office of Advancement continues to build strong relationships with Saskatchewan Polytechnic's alumni and philanthropic communities. By ensuring meaningful opportunities for the alumni community and other stakeholders to engage in the life of the institution, Saskatchewan Polytechnic is building a diverse network of support for strategic institutional priorities.

In 2019-20, total fundraising grew by almost 20 per cent and Saskatchewan Polytechnic received an exceptional gift from Joseph A. Remai in the amount of \$5 million. In recognition of this gift, the School of Construction has been renamed the *Joseph A. Remai School of Construction*.

Advancement also supported students during the COVID-19 pandemic through the Student Emergency Fund appeal and bursary program. As of June 1, 2020 Advancement raised \$55,208 from 139 donors for the Student Emergency Fund; 600 bursaries were awarded.

### BALANCED SCORECARD RESULT:

#### NON-BASE GRANT REVENUE AS A PERCENTAGE OF TOTAL REVENUE



## MANAGEMENT DISCUSSION AND ANALYSIS: FINANCIAL PERFORMANCE

(in thousands of dollars)

Although Saskatchewan Polytechnic achieved positive financial results for fiscal 2020, the COVID-19 pandemic significantly impacted almost every aspect of its operations. As Saskatchewan Polytechnic navigates this unprecedented pandemic, a variety of sustainability measures have been implemented to ensure the continued success of the institution and equip students with skills that align with current and emerging business and industry needs.

In fiscal 2020, Saskatchewan Polytechnic recorded an operating deficit of \$733, as presented on the statement of operations. Saskatchewan Polytechnic had budgeted for an operating deficit of \$4,336 for the year, resulting in a positive operating variance of \$3,603. The estimated net capital budget was \$4,336, achieving a net balanced budget. Actual net capital results were \$2,530, for a combined operating and positive capital variance of \$1,797.

Many offsetting factors contributed to this positive budget variance, including the March campus closures due to the COVID-19 pandemic, resulting in savings in operational supplies and expenses, travel and professional development. The following factors were significant:

- Financial results for the Joseph A. Remai School of Construction and School of Transportation exceeded the budget. This is partially due to these schools securing several contracts for external training. Additional gift-in-kind donations, notably in the Agricultural Equipment Technician program also contributed to a positive year end surplus.
- The Advancement and International division also exceeded budget, primarily due to salary savings as a result of new positions in Advancement not being hired and sponsorships exceeding budget. Also, International had lower expenses due to less than expected travel and recruiting activity as a result of COVID-19 travel restrictions.
- The School of Human Services and Community Safety and School of Hospitality and Tourism contributed positively to the variance from budget, primarily in due to course cancellations in LINC and reduced casual and part-time labour in Literacy and Adult Education programs. The schools also had a favourable variance in operational supplies and expenses as consulting and material budgets were not fully expended.
- A positive variance in the Student Services division was due to an increase in application fee revenue as well as increased seat deposit revenue due to increased international enrolment. There were also salary savings due to vacancies.
- Partially offsetting these positive contributors, the School of Mining, Energy and Manufacturing and School of Natural Resources and Built Environment experienced significant negative variances, primarily due to shortfalls in tuition and fees as enrollment did not meet budgeted expectations. Apprenticeship activity also did not meet budgeted expectations for the School of Mining, Energy and Manufacturing.
- Shortfalls were also experienced in Extension due to negative variances in revenue. Reduced activity also contributed to salary savings.

- Ancillary services profits have declined, particularly in the bookstores, with smaller declines in cafeterias and print shops. Significant factors include the shutdown of campuses in March due to the pandemic, decline of apprenticeship students, increased external options for class materials and availability of electronic options for course materials. Parking revenues were also negatively impacted by campus closures.
- Due to the pandemic, it was determined that voluntary separation and severance payments in excess of budgeted amounts were required to ensure fiscal stability in the upcoming year.
- The \$1,806 negative variance in capital results is primarily due to the response to the COVID-19 pandemic as increased capital spending was required to support remote operations for faculty, staff and students. This spending was primarily on purchasing laptops and updating network connectivity and data storage to ensure technology infrastructure supports were in place to support the new learning environment. Emergent capital needs were also identified throughout the year to address health and safety concerns and to replace aging, broken and outdated equipment. As well, capital expenditures over budget were required as the result of funding secured through the Office of Applied Research and Innovation, with offsetting positive impacts on operating revenue.

Saskatchewan Polytechnic has discretion in determining the future use of funds in the Unrestricted Operating Surplus (UOS). The UOS is the accumulation of prior years' net surpluses, adjusted for funds with external restrictions on their use. During the year, Saskatchewan Polytechnic's UOS increased from an opening balance of \$3,200 to a balance of \$4,981 as at June 30, 2020, which is \$1,781 greater than budget.

Although the UOS has increased, several specific capital and operating projects included in the fiscal 2020 budget that remained in progress on June 30, 2020, due to the pandemic, lead to requests to use these unspent funds in fiscal 2021. Any unexpended funds from fiscal 2020 that senior management council approves for use in fiscal 2021 will draw on the unrestricted operating surplus. Note 14 provides further detail on the unrestricted operating surplus calculation.

## HIGHLIGHTS: ACTUAL 2020 COMPARED TO 2019

The operating deficit for fiscal 2020 was \$733 compared to a deficit of \$2,975 for fiscal 2019. A discussion of the variances by the main revenue category and expenses by function follows:

- Grant and contractual services revenues increase by \$1,794 or 1.0 per cent from 2019:
  - Revenue from the Government of Saskatchewan is a significant contributor, with an increase in the Advanced Education operating grant to offset retroactive and ongoing salary costs accompanying the newly signed collective bargaining agreement. Additionally, there was an increase in the accommodation grant to support increased facilities costs.
  - Funding from the Government of Canada also increased due to funding from Corrections Canada for the Warehouse Worker program.
  - These increases are partially offset by decreased demand for apprenticeship training, primarily in the electrician, carpentry and plumbing programs.

- Tuition and fees increased by \$9,540 or 20.2 per cent. This is primarily due to an increased focus on recruitment and retention of international students, with growth seen in almost all schools in fiscal 2020. The international student population nearly doubled compared to 2019, and increased programs in post-grad certificates catered to international students seeking to build on existing education.
- Sales decreased by \$1,739 or 16.6 per cent, primarily in parking revenue. Sales in the bookstores, cafeterias and print shops have also declined. As previously discussed, campus closures in March were a significant contributor. Other factors affecting bookstore revenues include the decline of apprenticeship students, increased external options for class materials and availability of electronic options for course materials.
- Academic expenses increased by \$4,569 or 3.1 per cent. The increase is mostly due to an increase in salaries resulting from new positions required to support new post-grad certificate programs in the School of Business and School of Information Communications Technology. Other factors include additional salaries in the Joseph A. Remai School of Construction and School of Transportation for Corrections Canada training and in Applied Research due to an increase in projects, all of which have corresponding offsetting revenues. These are partially offset with fewer salaries in the LINC program, as well as reduced spending on operational supplies, expenses and training and professional development due to the pandemic.
- Student Services expenses increased by \$1,025 or 7.1 per cent. In the prior year, a restructuring in Wellness, Student Services left many of the positions vacant. Some of these positions were filled this year, contributing to the increase. There were also increased expenditures related to supporting increased growth in international students.
- Advancement and International expenditures increased by \$1,714 or 17.2 per cent. This is primarily the result of an increase in agency fees and salaries as the number of international students almost doubled compared to 2019.
- Facilities expenses increased by \$778 or 2.3 per cent, primarily due to an increase in rent charged by the Ministry of Central Services. This increase in rent expense is offset by the increase in the accommodation grant mentioned above. There was also an increase in consulting costs related to the Saskatoon Campus Expansion project.
- Ancillary Services expenses decreased by \$710 or 8.5 per cent. This is due to a decrease in cost of sales as a result of declining sales activity throughout Saskatchewan Polytechnic over the prior year.

## **HIGHLIGHTS: ACTUAL 2020 COMPARED TO PLAN 2020**

The operating deficit of \$733 in fiscal 2020 compares to a planned operating deficit of \$4,336. 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 \$4,834 or 2.6 per cent. This variance is the result of offsetting factors as follows:
  - Increased revenue from the Government of Saskatchewan is due to an increase in the Advanced Education operating grant to offset retroactive and ongoing salary costs accompanying the newly signed collective bargaining agreement. As well,

revenue exceeded budget due to favourable variances in Continuing Care Assistant and Practical Nursing programs being delivered through Extension. This is partially offset by a decline in demand for apprenticeship training, particularly in the electrician, plumbing and carpentry programs.

- The positive variance within the Government of Canada revenue was the net result of the Office of Applied Research and Innovation, Joseph A. Remai School of Construction and School of Transportation securing new contracts.
- Non-government revenues were less than expected, primarily due to shortfalls in Extension revenue. This was the result of decreased activity as well as less than budgeted revenue from international projects.
- Tuition and fees were less than budget by \$3,388 or 5.6 per cent. This is attributed mainly to reduced activity in Extension due to the COVID 19 pandemic as well as a negative variance in International English Language Testing System revenue, due in part to reduced immigration into Saskatchewan and increased travel restrictions due to the pandemic.
- Sales are less than budget by \$2,663 or 23.3 per cent. The shift from in-person to online and remote delivery through the latter part of fiscal 2020 and the resulting closure of bookstores, print shops and cafeterias led to a reduction in sales and the offsetting cost of sales. With campus closures, parking revenue also contributed to revenue shortfalls in fiscal 2020.
- Other revenues are higher than budget by \$1,011 or 39.4 per cent. This is mainly due to an increase in gift-in-kind donations, particularly in the Agricultural Equipment Technician program, in addition to sponsorships exceeding budget.
- Advancement and International expenditures were less than budget by \$1,707 or 12.8 per cent. This is primarily due to salary savings, the result of new positions in Advancement not yet being fully hired, and lower expenses, the result of less than expected activity in International projects.
- Ancillary expenditures were \$1,516 or 16.5 per cent less than budget due to a decrease in costs of sales as a result of sales not meeting budgeted expectations.

## HIGHLIGHTS: PLAN 2021

Saskatchewan Polytechnic is projecting combined operating and capital expenses to exceed revenues by \$3,858 for fiscal 2021: a one-time, pandemic-related deficit. However, due to the positive unrestricted operating surplus balance of \$4,981 million at the end of the 2019-20 fiscal year, Saskatchewan Polytechnic's reserve is projected to be in a positive balance of \$1,123 million at the end of the 2020-21 fiscal year.

The COVID-19 pandemic significantly impacted the financial landscape for Saskatchewan Polytechnic. Many projections and assumptions needed to abruptly shift and change with the evolving nature of the pandemic, affecting all non-grant revenue streams across the institution. While substantial revenue shortfalls are expected, sustainability measures have been implemented to help Saskatchewan Polytechnic overcome these financial challenges. Some of these measures include the implementation of hiring restrictions, suspending or deleting programs, reducing non-salary and capital budgets and deferring non-critical new initiatives. As

the pandemic is continuously evolving, it is becoming increasingly difficult to make accurate predictions for the upcoming year. The potential for variance is significantly higher than in a typical year.

The most significant areas of anticipated change from the fiscal 2020 budget to fiscal 2021 budget are:

- Grant revenue and contractual services are budgeted to increase by \$588 or 0.32 per cent, the result of significant positive and negative offsetting factors. Grant revenues increased due to funding received in the most recent provincial budget for the recently settled collective bargaining agreements. Offsetting this increase are reductions in contractual revenue relating to declining apprenticeship activity and reduced activity in LINC. There were also negative impacts on Extension contract revenues as a result of the pandemic. Additionally, as a consistent shortfall has been experienced in international projects over the last few years, budgeted revenue has been adjusted to reflect more realistic levels of activity.
- Tuition and fees are anticipated to decrease by \$12,468 or 20.73 per cent in response to the COVID-19 pandemic. A significant increase in international student enrolment was expected pre-pandemic; however, with ongoing international travel restrictions, quarantine requirements and the recent shift to online and remote delivery, international tuition is now expected to decline over fiscal 2020 by \$3,427. Public health directives limiting the delivery of in-person learning affects the majority of Saskatchewan Polytechnic's programming. The tuition and fees budget has, therefore, been adjusted to reflect the reduction in both domestic enrolment and Extension activity. An additional contingency amount has been included to allow for possible additional tuition shortfalls, particularly in regard to international students.
- Sales revenue is expected to decrease by \$5,995 or 52.49 per cent. Bookstores, print shops and cafeterias are projecting significant losses in ancillary revenues due to campus closures expected to remain in place until January 2021. Parking revenue reductions are also likely due to students projected to remain offsite until 2021.
- Academic Program costs are expected to decrease by \$10,885 or 6.75 per cent, mainly as a result of financial austerity measures taken to offset revenue shortfalls. These measures include position eliminations, supported where possible by a voluntary separation program, temporary layoffs as well as non-salary reductions across all of the schools.
- Administration costs are expected to decrease by \$1,618 or 4.58 per cent, also due to position eliminations and non-salary reductions implemented to help offset revenue shortfalls.
- Ancillary expenses are projected to decrease by \$835 or 9.10 per cent. The shift from in-person to online and remote delivery expected through the first half of fiscal 2021, the closure of bookstores, print shops and cafeterias is expected to lead to significant reductions in sales and offsetting cost of sales. Parking revenue is also expected to contribute to the revenue shortfalls in fiscal 2021.



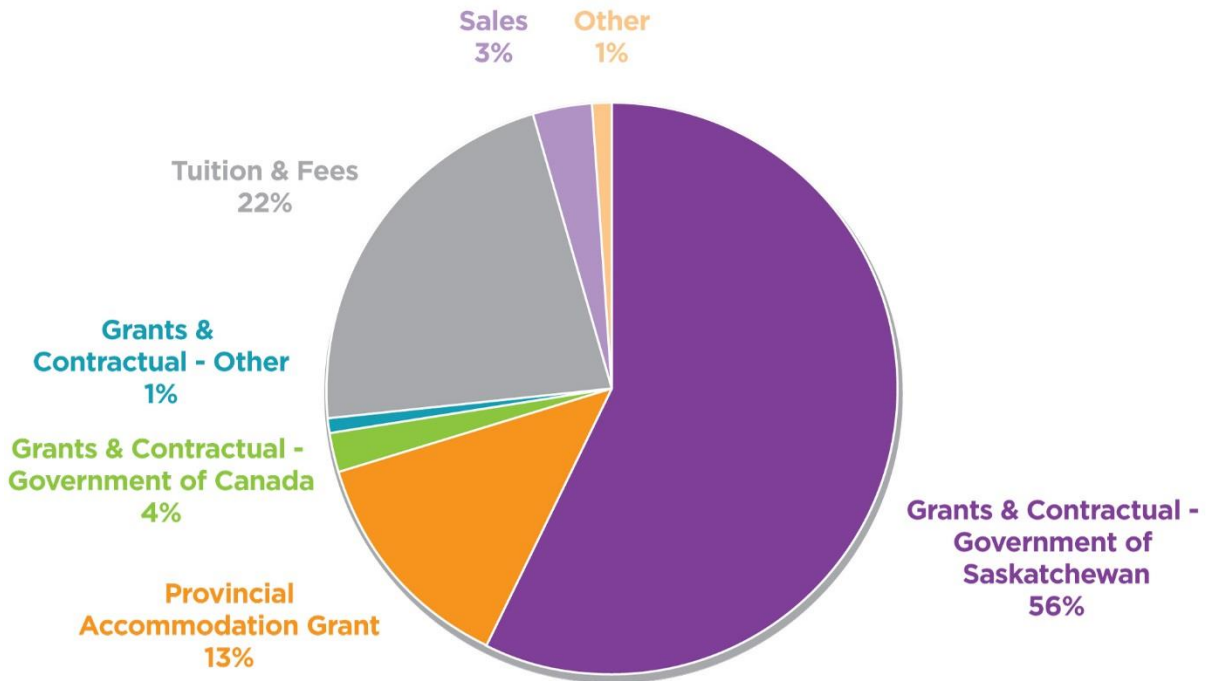
## CAPITAL SPENDING SUMMARY

Saskatchewan Polytechnic planned for a net capital budget of \$4,336. The net capital budget was the result of budgeted amortization of \$10,114 less planned capital expenditures of \$5,778. The actual net capital result was \$2,530, completing the year with a negative variance of \$1,806. Capital expenditures above the budget were required as the result of funding secured through the Office of Applied Research and Innovation, with the related external funding reflected in increased grant and contractual services revenue.

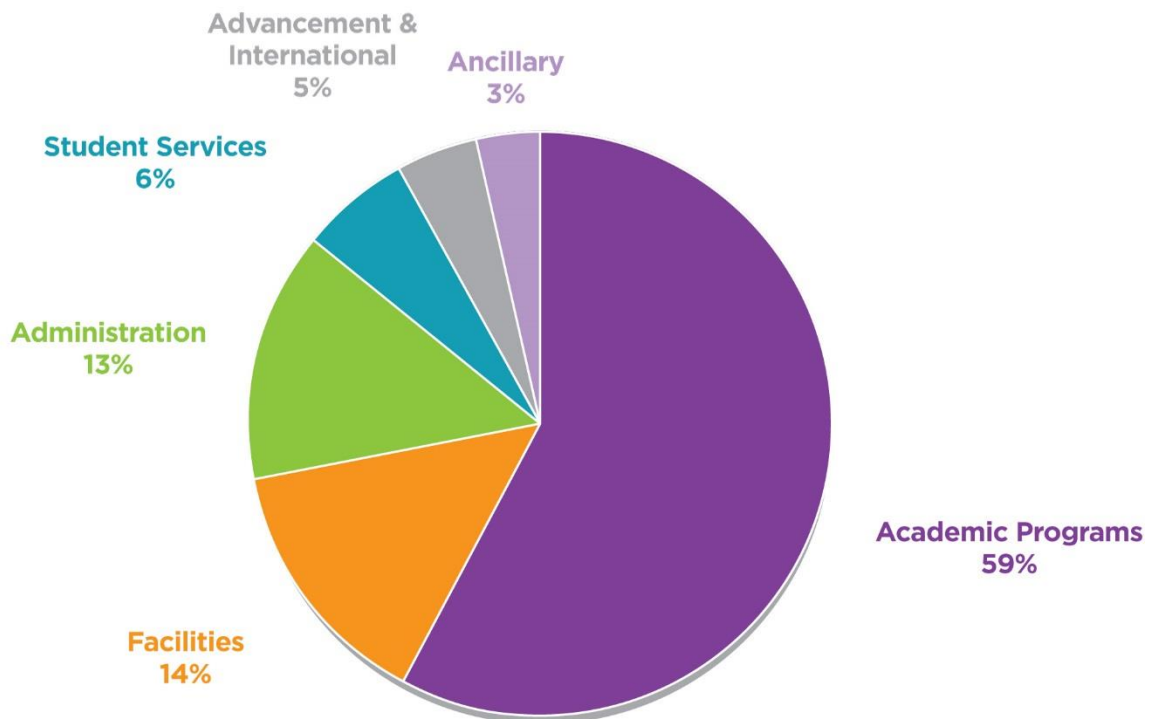
In response to the COVID-19 pandemic, there was also increased capital spending to support teaching, learning and operations being carried out remotely for faculty, staff and students in Information Technology Services. These purchases were offset by savings in their operating budget. Also, emergent capital needs identified during the year resulted in additional spending being approved during the year.

The majority of the capital expenditures were incurred to replace technology and equipment, along with some leasehold improvements.

## 2020 OPERATING REVENUE



## 2020 OPERATING EXPENSES



## KEY FINANCIAL RESULTS AND DATA

(Dollars in thousands)

	2019 Actual	2020 Plan	2020 Actual	2021 Plan <sup>1</sup>
<b>Operations</b>				
Annual deficit	\$ (2,975)	\$ (4,336)	\$ (733)	\$ (9,440)
<b>Revenue:</b>				
Grants and contractual services	187,073	184,033	188,867	184,620
Tuition and fees	47,217	60,145	56,757	47,677
Sales	10,497	11,421	8,758	5,426
Other revenue	3,055	2,568	3,579	2,571
<b>Expenses:</b>				
Academic programs	149,475	153,825	154,044	143,440
Facilities	34,202	34,868	34,980	35,166
Administration	34,316	35,347	34,817	33,729
Student Services	14,505	15,917	15,530	15,570
Advancement and international	9,948	13,369	11,662	13,487
Ancillary	8,371	9,177	7,661	8,342
<b>Financial Position</b>				
Unrestricted operating surplus	\$ 3,200	\$ 3,200	\$ 4,981	\$ 1,123 <sup>2</sup>
Financial assets	41,956	38,976	51,411	42,506
Liabilities	42,930	38,346	50,993	45,258
Net assets/(debt)	(974)	630	418	(2,752)
Tangible capital assets	57,537	52,997	55,420	49,402
Accumulated surplus	58,823	54,487	58,090	48,650

<sup>1</sup> 2021 Plan is based on the 2020-21 Business Plan, adjusted for 2020 year-end results.

<sup>2</sup> There were several specific capital and operating projects included in the fiscal 2020 budget that were in progress at June 30, 2020, leading to requests to utilize these unspent funds in fiscal 2021. The 2021 figures do not include an anticipated drawdown of the unrestricted operating surplus to fund the costs related to these carry forward requests.

# FINANCIAL STATEMENTS

The background of the page is an abstract composition of overlapping geometric shapes. The top half is a solid medium purple. The bottom half features a series of overlapping triangles and polygons in various shades of purple, from light lavender to deep indigo, as well as some grey and white shapes, creating a dynamic, layered effect.

# MANAGEMENT REPORT

September 25, 2020

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



PROVINCIAL AUDITOR  
of Saskatchewan

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, 2020
- 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, 2020, 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.





PROVINCIAL AUDITOR  
*of Saskatchewan*

- 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 25, 2020

Judy Ferguson, FCPA, FCA  
Provincial Auditor  
Regina, Saskatchewan  
September 25, 2020

# STATEMENT OF FINANCIAL POSITION

As at June 30, 2020  
(in thousands of dollars)

	Note	2020	2019
<b>Financial assets</b>			
Cash and cash equivalents	3 & 4	\$ 37,241	\$ 29,280
Accounts receivable	5	7,648	5,268
Inventories for resale	6	2,479	3,129
Portfolio investments	7	4,043	4,279
		51,411	41,956
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities		4,472	3,918
Salaries and benefits payable		14,758	11,856
Obligation under capital leases	8	1,447	913
Employee future benefits	9	2,495	2,555
Debt	11	752	873
Deferred revenue	12	27,069	22,815
		50,993	42,930
<b>Net financial assets (debt)</b>		<b>418</b>	<b>(974)</b>
<b>Non-financial assets</b>			
Tangible capital assets	13	55,420	57,537
Prepaid expenses		2,252	2,260
		57,672	59,797
<b>Accumulated surplus</b>	14	<b>\$ 58,090</b>	<b>\$ 58,823</b>
Contractual rights	15		
Contractual obligations and contingencies	16		

## Approved on behalf of the Board:

Mitchell J. Holash, QC, Board Chair

Garry Benning, Audit Committee Chair

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

# STATEMENT OF OPERATIONS

For the year ended June 30, 2020  
(in thousands of dollars)

	Budget (Note 20)	2020	2019
<b>Revenue</b>			
Grants and contractual services:			
Government of Saskatchewan	\$ 174,248	\$ 177,209	\$ 176,548
Government of Canada	6,875	10,020	8,242
Other governments	128	393	727
Non-government	2,782	1,245	1,556
Tuition and fees	60,145	56,757	47,217
Sales	11,421	8,758	10,497
Donations (Note 17)	1,038	2,112	1,482
Investment income	859	939	829
Other income	671	528	744
	258,167	257,961	247,842
<b>Expense (Note 18)</b>			
Academic programs	153,825	154,044	149,475
Facilities	34,868	34,980	34,202
Administration	35,347	34,817	34,316
Student services	15,917	15,530	14,505
Advancement and international	13,369	11,662	9,948
Ancillary	9,177	7,661	8,371
	262,503	258,694	250,817
<b>Annual deficit</b>	<b>(4,336)</b>	<b>(733)</b>	<b>(2,975)</b>
Accumulated surplus, beginning of year	58,823	58,823	61,798
<b>Accumulated surplus, end of year</b>	<b>\$ 54,487</b>	<b>\$ 58,090</b>	<b>\$ 58,823</b>

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

## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

For the year ended June 30, 2020  
(in thousands of dollars)

	Budget (Note 20)	2020	2019
Net debt, beginning of year	\$ (974)	\$ (974)	\$ (1,649)
Changes during the year:			
Annual deficit	(4,336)	(733)	(2,975)
Acquisition of tangible capital assets	(5,509)	(7,575)	(5,758)
Tangible capital asset donations received	-	(691)	(68)
Proceeds on disposal of tangible capital assets	-	237	6
Loss (gain) on disposal of tangible capital assets	-	(160)	33
Amortization of tangible capital assets	10,114	10,306	10,460
Decrease (increase) in prepaid expenses, net	-	8	(1,023)
	269	1,392	675
<b>Net financial assets (debt), end of year</b>	<b>\$ (705)</b>	<b>\$ 418</b>	<b>\$ (974)</b>

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

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2020  
(in thousands of dollars)

	Note	2020	2019
<b>Operating transactions</b>			
Annual deficit		\$ (733)	\$ (2,975)
Items not affecting cash:			
Amortization of tangible capital assets	18	10,306	10,460
Tangible capital asset donations received	13	(691)	(68)
Loss (gain) on disposal of tangible capital assets	18	(160)	33
Unrealized loss (gain) on portfolio investments		20	(111)
Decrease in employee future benefits liability		(60)	(281)
Net increase in non-cash operating balances	19	5,988	10,168
		14,670	17,226
<b>Capital transactions</b>			
Acquisition of tangible capital assets		(7,575)	(5,758)
Proceeds on disposal of tangible capital assets		237	6
		(7,338)	(5,752)
<b>Investing transactions</b>			
Proceeds on disposition of portfolio investments		779	1,417
Acquisition of portfolio investments		(563)	(1,561)
		216	(144)
<b>Financing transactions</b>			
Increase in capital lease obligation		534	395
Debt repayments		(121)	(96)
		413	299
<b>Net increase in cash and cash equivalents</b>		<b>7,961</b>	<b>11,629</b>
Cash and cash equivalents, beginning of year		29,280	17,651
<b>Cash and cash equivalents, end of year</b>	<b>3 &amp; 4</b>	<b>\$ 37,241</b>	<b>\$ 29,280</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020 (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.

## **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 sold<sup>1</sup>. 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 contributor<sup>1</sup>. 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.

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<sup>1</sup> 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.



## 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 8.

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.

## 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 13.

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.

## 3. Change in accounting policy

As a result of changes to the Polytechnic's investment practices and policies, management determined that effective July 1, 2019 cash and cash equivalents will include highly liquid securities with original terms to maturity of 120 days or less when purchased. Previously, highly liquid securities with original terms to maturity of 90 days or less when purchased were included in cash and cash equivalents. This change has been applied retrospectively and has not resulted in any adjustments to the comparative period.

## 4. Cash and cash equivalents

	2020	2019
Cash	\$ 24,905	\$ 27,215
Cash equivalents	12,336	2,065
	<u>\$ 37,241</u>	<u>\$ 29,280</u>

## 5. Accounts receivable

	2020	2019
Corporate	\$ 1,524	\$ 957
Federal government	4,785	1,990
Provincial government	497	1,431
Student	893	996
Other	126	112
Less provision for doubtful accounts	(177)	(218)
	\$ 7,648	\$ 5,268

## 6. Inventories for resale

	2020	2019
Bookstores	\$ 2,290	\$ 2,976
Food services	74	58
Shop and service supplies	115	95
	\$ 2,479	\$ 3,129

The cost of inventory sold and recognized as an expense during 2020 was \$5,277 (2019 – \$6,067) and includes inventory write-downs of \$34 (2019 – \$54). There were no reversals of write-downs of inventory made in prior periods. As of June 30, 2020, there was no inventory pledged as security for liabilities.

## 7. 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 12.

	2020	2019
Equities and equity mutual funds	\$ 2,513	\$ 2,656
Bonds and bond mutual funds	1,530	1,623
	\$ 4,043	\$ 4,279

The portfolio investments had a return of 2.11% in 2020 (2019 – 4.43%).

At June 30, 2020, no individual bonds were held (2019 – nil).

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, 2020 and 2019.

## 8. Obligation under capital leases

	2020	2019
Balance, beginning of year	\$ 913	\$ 518
Additions during the year	747	551
Lease payments	(213)	(156)
Balance, end of year	\$ 1,447	\$ 913

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

2021	\$ 394
2022	394
2023	392
2024	234
2025	188
Less amount representing interest	(155)
Present value of minimum lease payments	\$ 1,447

Interest rates on the leases range from 2.34% to 6.25% (2019 – 4.88% to 5.20%). Interest expensed during the year amounted to \$53 (2019 – \$49). The minimum lease payment value includes amounts for residual guarantees at the conclusion of lease terms.

## 9. Employee future benefits

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

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

## 9. Employee future benefits (continued)

	2020	2019
Actuarial valuation date	May 31, 2018	May 31, 2018
Extrapolation date	June 30, 2020	June 30, 2019
Significant long-term assumptions used:		
Salary escalation (excluding step increases)	2.00%	2.00%
Discount rate	1.70%	2.50%
Estimated average remaining service life	9 years	9 years
Liability for employee future benefits:		
Accrued benefit obligation, beginning of year	\$ 3,066	\$ 3,340
Current period benefit cost	226	213
Interest cost	76	94
Benefit payments	(447)	(663)
Actuarial loss	177	82
Accrued benefit obligation, end of year	3,098	3,066
Unamortized net actuarial loss	(603)	(511)
Liability for employee future benefits	\$ 2,495	\$ 2,555
Employee future benefits expense:		
Current service cost	\$ 226	\$ 213
Interest cost on benefits	76	93
Amortization of net actuarial loss	85	76
Total employee future benefits expense	\$ 387	\$ 382

## 10. Pension plans

Saskatchewan Polytechnic employees participate in various multi-employer defined benefits and defined contribution pension plans. The majority of these are administered by the Ministry of Finance. Employer contributions of \$10,078 (2019 - \$9,897) were expensed during the year. Employer obligations associated with the defined benefits plans, with the exception of the Municipal Employee Pension Plan (MEPP), are the responsibility of the General Revenue Fund of the Government of Saskatchewan. MEPP is a multi-employer defined benefit plan, covering approximately 15,940 active members, of which three are employees of Saskatchewan Polytechnic.

## 11. Debt

	2020	2019
RBC revolving bankers' acceptance loan	\$ 752	\$ 873

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, 2020 was 0.87% annualized (2019 – 2.27%). Interest expense on the BAs for the year was \$17 (2019 – \$22).

## 11. 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 (2019 – nil).

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

2021	\$ 104
2022	104
2023	104
2024	104
2025	104
Thereafter	232
	<u>\$ 752</u>

## 12. Deferred revenue

	Opening balance	Receipts during year	Recognized as revenue	Ending balance 2020
Grants and contractual services:				
Government of Saskatchewan	\$ 121	\$ 177,819	\$ (177,209)	\$ 731
Government of Canada	734	9,798	(10,020)	512
Other governments	-	594	(393)	201
Non-government	62	1,480	(1,245)	297
Tuition and fees	15,871	58,171	(56,757)	17,285
Donations	6,027	4,128	(2,112)	8,043
	<u>\$ 22,815</u>	<u>\$ 251,990</u>	<u>\$ (247,736)</u>	<u>\$ 27,069</u>

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.

### 13. Tangible capital assets

	Land	Buildings	Leasehold Improve- ments	Furniture & equipment	Computers & software	Library	2020 Total
<b>Cost:</b>							
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
<b>Accumulated amortization:</b>							
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

	Land	Buildings	Leasehold Improve- ments	Furniture & equipment	Computers & software	Library	2019 Total
<b>Cost:</b>							
Opening balance	\$ 6,212	\$ 9,549	\$ 70,753	\$ 76,865	\$ 19,093	\$ 6,724	\$ 189,196
Additions	-	-	833	2,210	2,628	155	5,826
Disposals	-	-	-	(1,098)	(538)	-	(1,636)
Closing balance	6,212	9,549	71,586	77,977	21,183	6,879	193,386
<b>Accumulated amortization:</b>							
Opening balance	-	2,443	43,637	59,133	15,852	5,921	126,986
Amortization	-	338	3,640	4,255	1,921	306	10,460
Disposals	-	-	-	(1,058)	(539)	-	(1,597)
Closing balance	-	2,781	47,277	62,330	17,234	6,227	135,849
Net book value	\$ 6,212	\$ 6,768	\$ 24,309	\$ 15,647	\$ 3,949	\$ 652	\$ 57,537

At June 30, 2020, the tangible capital asset balance included capital assets under development of \$624 (2019 – \$468).

At June 30, 2020, the tangible capital asset balance included equipment under capital leases with a cost of \$1,832 (2019 – \$1,086) and accumulated amortization of \$421 (2019 – \$184).

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 \$691 (2019 – \$68).

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.



## 14. Accumulated surplus

### a. Composition of accumulated surplus

	2020	2019
Investment in tangible capital assets	\$ 53,221	\$ 55,751
Student housing reserve	740	740
Unfunded employee future benefits	(2,495)	(2,555)
Restricted government transfers	1,643	1,687
Unrestricted operating surplus	4,981	3,200
Accumulated surplus	\$ 58,090	\$ 58,823

### b. Investment in tangible capital assets

	2020	2019
Tangible capital assets	\$ 55,420	\$ 57,537
Obligation under capital leases	(1,447)	(913)
Debt	(752)	(873)
Investment in tangible capital assets	\$ 53,221	\$ 55,751

### c. Change in unrestricted operating surplus

	2020	2019
Unrestricted operating surplus, beginning of year	\$ 3,200	\$ 1,680
Annual deficit	(733)	(2,975)
Decrease in investment in tangible capital assets	2,530	4,972
Decrease in student housing reserve	-	1
Decrease in employee future benefits liability	(60)	(281)
Decrease (increase) in restricted government transfers	44	(197)
Unrestricted operating surplus, end of year	\$ 4,981	\$ 3,200

## 15. 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):

		2021	2022	Thereafter	Total
Federal	Language instruction services	\$ 4,701	\$ 4,020	\$ 11,382	\$ 20,103
Federal	Promote skilled trades opportunities	553	303	-	856
SATCC	Apprenticeship training services	13,000	-	-	13,000
		\$ 18,254	\$ 4,323	\$ 11,382	\$ 33,959

## 16. Contractual obligations and contingent liabilities

### a. Operating leases

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

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

	Facilities	Equipment & services	Total
2021	\$ 32,981	\$ 3,146	\$ 36,127
2022	33,641	1,298	34,939
2023	34,314	1,027	35,341
2024	35,000	767	35,767
2025	35,700	549	36,249

### b. Capital projects

The estimated cost to complete major capital projects in progress at June 30, 2020 is approximately \$116 (2019 – \$527).

### 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, 2020, an amount of \$175 has been accrued (2019 - \$0) for outstanding legal claims that management has determined meet the criteria for recording a liability under PSAS.

## 17. Gifts

The Polytechnic entered into a multi-year gift agreement to receive a donation in the amount of \$5,000 from the Joseph Alfred Remai Foundation ("the Donor"). In recognition of the gift, the former School of Construction has been renamed the *Joseph A. Remai 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, \$1,500 was received in December 2019. The remaining \$3,500 will be paid in annual instalments over the next three years.

## 18. Expense by object

	Budget 2020	2020	2019
Salaries and benefits (Notes 9 and 10)	\$ 180,710	\$ 178,922	\$ 170,481
Facilities	33,087	33,292	32,519
Operational supplies and expenses	25,480	24,453	23,861
Cost of goods sold	6,315	5,277	6,067
Amortization (Note 13)	10,114	10,306	10,460
Travel and professional development	3,779	2,917	3,736
Equipment rental and repairs	1,517	1,643	1,872
Scholarships and awards	1,501	2,044	1,788
Loss (gain) on disposal of capital assets	-	(160)	33
	\$ 262,503	\$ 258,694	\$ 250,817

## 19. Net change in non-cash operating balances

	2020	2019
Accounts receivable	\$ (2,380)	\$ 2,062
Inventories for resale	650	512
Accounts payable and accrued liabilities	554	320
Salaries and benefits payable	2,902	(409)
Deferred revenue	4,254	8,706
Prepaid expenses	8	(1,023)
	\$ 5,988	\$ 10,168

## 20. Budgeted figures

Budgeted figures have been provided for comparison purposes and reflect the 2019-22 Multi-year Business Plan, approved by the Board of Directors on April 26, 2019. The budget for 2021 was approved by the Board of Directors on June 26, 2020 as part of the 2020-21 Business Plan.

## 21. 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 and bonds held at June 30, 2020, are guaranteed by a federal or provincial government. The cash balance represents deposits with Canadian chartered banks.

## 21. Financial instrument risk (continued)

### 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 11) is also available to provide additional funds to meet short-term current and forecasted financial requirements.

## 22. 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 \$177,209 (2019 – \$176,548) 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:

	2020	2019
Accounts receivable	\$ 497	\$ 1,431
Accounts payable and accrued liabilities	1,546	722
Acquisition of tangible capital assets	1,223	1,425
Non-grant and contractual services revenue	2,770	4,201
Expenses	38,734	37,801

## **22. Related parties (continued)**

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

## **23. 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 will be impacted directly by measures taken to limit the spread of the virus, such as physical distancing requirements and restrictions on international travel. The Polytechnic's 2020-21 Business Plan includes an anticipated reduction in tuition and sales revenues due to an expected decline in international student enrolment and reduced numbers of students attending classes in-person, as well as reductions in expenditures. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the Polytechnic's financial position and operations.

## **24. Comparative figures**

Certain 2019 figures on the Statement of Operations have been reclassified to conform to the presentation adopted in the 2020 financial statements.



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