



ANNUAL REPORT

2022-2023



LETTER OF TRANSMITTAL

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

September 29, 2023

The Honourable Gordon S. Wyant, K.C.
Minister of Advanced Education
Government of Saskatchewan
Room 307, 2405 Legislative Drive
Regina, SK S4S 0B3

Dear Minister Wyant:

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, 2023.

Respectfully submitted,

Mitchell Holash, K.C.
Chair, Saskatchewan Polytechnic Board of Directors



miyo wâhkôhtowin - good relations

This Cree phrase expresses the positive value and richness of experience that stems from interconnectedness and relationships. This worldview represents the individual and the community, and encompasses the foundation of all we do at Saskatchewan Polytechnic.

We honour this principle in every interaction, institutional practice, procedure, policy, and service we provide to learners, faculty, staff, alumni and our communities. We work together to create an inclusive, collaborative and respectful environment in which everyone can grow, thrive and lift each other up.

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We would like to acknowledge that Saskatchewan Polytechnic is situated on Treaty 4 and Treaty 6 territories and the ancestral lands of the Cree, Saulteaux, Dene, Dakota, Lakota and Nakoda peoples and the traditional homeland of the Métis.

MESSAGE FROM CHAIR

Throughout Saskatchewan and beyond, Saskatchewan Polytechnic graduates are recognized for their strong work ethic, applied learning and problem-solving abilities. Because of our focus on offering practical, diverse and accessible training that positively impacts graduate career options, thousands of learners look to us for their educational needs each year.

Saskatchewan Polytechnic's well-deserved reputation of being the force in today's workforce does not happen on its own. It is achieved through high standards, strong competencies, committed partnerships, and by being responsive and accessible to both students and employers.

Saskatchewan Polytechnic's program content is informed by Program Advisory Committees representing approximately 700 employers, practitioners and graduates. This ensures that programs are relevant, job-focused and delivered by talented and dedicated faculty and staff who work diligently to provide the depth of learning appropriate to the needs of students and employers alike.

I am proud of the work this institution achieved during the past year to meet strategic and operational goals, from advancing the success of Indigenous and international students to partnerships involving cutting-edge applied research projects to new and expanded program capacity that aligns to the evolving labour market needs of the province as outlined in the 2030 Growth Plan.

We will continue to evolve, grow and respond to labour market requirements and, in doing so, lead the rise of polytechnic education not only in Saskatchewan, but also throughout Canada.

Sincerely,

Mitchell Holash, K.C.
Chair, Saskatchewan Polytechnic Board of Directors

MESSAGE FROM PRESIDENT & CHIEF EXECUTIVE OFFICER

As we look back on 2022-2023 year, I am more convinced than ever of the value of a polytechnic education from Saskatchewan Polytechnic. Our practical approach that emphasizes hands-on learning, along with nationally recognized expertise in applied research, and strong business and industry partnerships, sets us apart from other institutes of higher education in Saskatchewan. This report highlights many notable achievements this past year. This includes our overall graduate employment rate of 95%, our 92% Indigenous graduate employment rate and the important contributions Saskatchewan Polytechnic makes to economic reconciliation.

In today's world, where technological change and disruption is happening at a relentless and unprecedented pace and scale, Sask Polytech's mission to inspire success in every learning journey has never been more relevant. Ensuring that graduates have the skills to adapt to meet the challenges Saskatchewan, Canada and the world are facing is critical. Employers require it to stay competitive. At the same time, it is imperative that we continue to keep abreast of advancements in areas like artificial intelligence and its ramifications on academia, and to develop new programs for the workforce of the future.

As we look ahead, I am encouraged by the opportunities that exist for us to positively impact lives, communities and the province. The management, administration, faculty and staff at each of our campuses are incredibly committed to the success of everyone who chooses Sask Polytech for their educational requirements, whether they are recent high school graduates or want to upskill later in their careers.

Collectively, we are building a solid foundation for Saskatchewan's future.

Sincerely,

Dr. Larry Rosia
President & CEO

Who We Are

Saskatchewan Polytechnic serves students through applied learning opportunities on Treaty 4 and Treaty 6 Territories and the homeland of the Métis. Learning takes place at campuses in Moose Jaw, Prince Albert, Regina and Saskatoon and through extensive distance education opportunities. Programs serve every economic and public service sector. As a polytechnic, the organization provides the depth of learning appropriate to employer and student need, including certificate, diploma and degree programs, and apprenticeship training. Saskatchewan Polytechnic engages in applied research, drawing on faculty expertise to support innovation by employers, and providing students the opportunity to develop critical thinking skills.

Our purpose: We empower a better Saskatchewan

Our vision: To lead the rise of polytechnic education

Our mission: Inspire success in every learning journey

Our values:



Respect

We support every learning journey, whether for our students, colleagues or industry partners. And so we show our care for one another and our workplace. We foster an open and inclusive environment that embraces diverse cultures, heritages and opinions. We honour, learn from, work with and support each other as one team.



Integrity

We are leaders in the global polytechnic community, and as such we are honest and fair in all we do. We are committed to being accountable and transparent. We are truthful with one another. We hold ourselves to high standards of ethical behaviour and take responsibility for our actions.



Sustainability

We aim to empower a better future by leading the rise of polytechnic education. Therefore, we work, live and learn in a socially and environmentally responsible manner. We support the health, safety and overall well-being of our learners, employees and partners. We are conscientious stewards of our resources and continuously look for entrepreneurial and creative ways to strengthen and improve our institution.



Excellence

We aim to inspire success in every learning journey, which in turn inspires each of us to go above and beyond expectations to achieve the highest levels of quality — in our teaching, our programming, our learning and our services. We are able to do this by maintaining high standards, strong competencies, committed partnerships and by being responsive and accessible.

2022–2023 Highlights

August 2022: Early Childhood Educations gets a \$3.5 million boost

Saskatchewan Polytechnic received \$3.5 million from the Government of Saskatchewan to continue to train early childhood educators. The funding enabled the Building the Future project to provide seven funded opportunities for early childhood education through the School of Continuing Education.

Our Early Childhood Education programs integrate the most current research on early childhood education into curriculum. Courses are available for everyone from high school students to experienced childhood educators.

November 2022: New office opens in the Philippines

Saskatchewan Polytechnic opened an office in the Philippines capital of Manila. In addition to strengthening ties between the Philippines and Saskatchewan, the office works closely with Filipino agents to recruit students, particularly those seeking educations to fill critical health-care jobs, to our campuses in Saskatchewan.

We also signed a memorandum of understanding with Central Philippine University that explores international education and collaboration opportunities between the two institutions.



November 2022: Sustainability, lifelong learning and polar bears

We held our first Polar Bear Eco Trip. Twenty-two adventurers, ranging in age from 12 to 80, traveled from Saskatchewan to Churchill, Manitoba, along with two seasoned guides.

The trip provided the public with an opportunity to further their knowledge and appreciation of remote Canadian communities, wildlife and ecosystems. It was also a way that students could experience applied practice in their field of study at Saskatchewan Polytechnic. Participants were able to earn a Surge Micro-credential badge at the conclusion of the adventure.



December 2022: Partnership provides training and tool kit for front-line care workers

Saskatchewan Polytechnic joined Prairie Harm Reduction and the Saskatchewan Association for Safe Workplaces in Health in receiving \$1.4 million in federal funding to address the stigma, discrimination and racism experienced by people who use substances in Saskatchewan and seek help from front-line care workers.

The five-year project is funded by the Public Health Agency of Canada. The goal is to develop and distribute evidence-based, culturally safe and harm reductionist resources and training for care providers. The project intends to reach up to 600 front-line workers by 2027.

February 2023: Another year, another Top Employer in Saskatchewan award

Saskatchewan Polytechnic was recognized as a Top Employer in Saskatchewan for the sixth time in a row. Employers are compared to other organizations in their field to determine which offer the most progressive and forward-thinking programs.



March 2023: Hosting our first-ever powwow

Saskatchewan Polytechnic hosted its first powwow to honour miyo wâhkôhtowin, with 150 dancers and 500 people in attendance. Powwows are a central aspect of Indigenous culture and provide an opportunity to celebrate traditions, showcase talent and bring people together in a spirit of unity and friendship.



April 2023: With a first-place finish, our team was tops in North America

Saskatchewan Polytechnic's urban concept car finished in first place and our prototype car finished in third place in their respective fuel economy categories at the Shell Eco-Marathon Americas Challenge at the Indianapolis Motor Speedway. The urban concept car also placed second in the Drivers World Championship regional competition, which qualified our urban concept car and team to compete at the Shell Eco-marathon Drivers' World Championship Grand Final in India in October 2023.

Shell Eco-marathon is one of the world's leading student engineering competitions focused on energy optimisation. Ours was the only Canadian team to qualify for the Drivers' World Championship Grand Final.



May 2023: Honoured for sustainability excellence in education

Two Saskatchewan Polytechnic applied research projects and a student project were honoured at the 15th annual Regional Centre of Expertise on Education for Sustainable Development (RCE) Saskatchewan Awards for Achievement in Education for Sustainable Development.

The Emma Lake Water Assessment and Environmental Stewardship applied research project is being conducted by our faculty, researchers and a student intern in association with the District of Lakeland No. 521. The Rescuing Hand-sound-based Bathymetry Maps project is a student project by Geographic Information Systems student Sam Wolkosky. The Farmer Rancher Mental Health applied research project, led by researcher Dr. Michelle Pavloff, research chair (rural health) with the Centre for Health Research, Innovation and Scholarship, is a patient-oriented applied research project funded by the Saskatchewan Center for Patient Oriented Research, Saskatchewan Health Research Foundation and Saskatchewan Polytechnic.



June 2023: More force for Saskatchewan's workforce

More than 5,000 students graduated from Saskatchewan Polytechnic, in the 2022-23 academic year. Convocation ceremonies were held during a four-week period in June for all four campuses communities and recognized a variety of outstanding student and faculty achievements. In addition, honorary degrees in Applied Studies were awarded to: Brett Lauther, Saskatchewan Roughriders (Moose Jaw); His Worship, Greg Dionne, mayor of the City of Prince Albert (Prince Albert); Tribal Chief Mark Arcand of Muskeg Lake Cree Nation (Saskatoon); and Cadmus Delorme from Cowessess First Nation (Regina).



INSTITUTIONAL CONTEXT

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

Saskatchewan Polytechnic serves students through applied learning opportunities on Treaty 4 and Treaty 6 territories and the homeland of the Métis. Learning takes place at campuses in Moose Jaw, Prince Albert, Regina and Saskatoon and through extensive distance education opportunities. In addition, Saskatchewan Polytechnic programming is accessible to learners across the province through brokerage agreements with regional colleges. Programs serve every economic and public service sector. As a polytechnic, the institution provides the depth of learning appropriate to employer and learner needs, including certificate, diploma, degree, post-graduate certificate and apprenticeship training. Saskatchewan Polytechnic engages in applied research, drawing on faculty expertise to support innovation by employers and providing students the opportunity to develop critical thinking skills.

In addition, Saskatchewan Polytechnic provides adult basic education and skills training programming. Through upgrading, or Adult 12 programming, learners can obtain academic requirements for application to post-secondary programs or for employment that requires high school graduation. Saskatchewan Polytechnic also delivers Language Instruction for Newcomers to Canada to help Canadians develop English language skills to successfully integrate into Canadian society.

Members of Polytechnics Canada, including Saskatchewan Polytechnic, are leaders in industry innovation activity in the Canadian college sector and are committed to learner involvement in applied research. Saskatchewan Polytechnic engages in applied research and scholarship to better meet the needs of learners, employers and communities and to support sustainable economic and social development in the province. To continue to enhance the province's innovation ecosystem, Saskatchewan Polytechnic has partnered with Innovation Saskatchewan and will work collaboratively with employers and communities to grow applied research and scholarship capacity in Saskatchewan.

As one of the largest post-secondary institutions in the province, Saskatchewan Polytechnic has a major impact on Saskatchewan's economy. The institution contributes \$2.6 billion to the economy, according to an economic impact analysis conducted in 2023. This analysis showed that:

- The average diploma graduate from Saskatchewan Polytechnic will see an increase in earnings of \$14,300 annually compared with a person with a high school diploma or equivalent working in Saskatchewan.
- Over their lifetime, a Saskatchewan Polytechnic graduate will earn \$543,000 more than someone who holds a high school diploma.
- Saskatchewan Polytechnic is a good investment for taxpayers. On average, taxpayers will see a 21.4 per cent annual internal rate of return for every tax dollar spent to support Saskatchewan Polytechnic.

MANDATE

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

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

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

STRATEGY MANAGEMENT

A clear strategic vision is critical to the planning, decision-making and accountability processes in all organizations. Saskatchewan Polytechnic has adopted a strategic planning system that combines forward-looking, long-term strategic planning; annual multi-year planning; and annual reporting, all of which are integrated into every level of the institution. A balanced scorecard framework has been adopted to ensure Saskatchewan Polytechnic demonstrates accountability to its diverse stakeholders. Several foundational components communicate, monitor and report progress.

COMMUNICATE

Leading the Rise: Strategic Plan 2020-2025

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

Leading the Rise closely aligns with the major goals identified in the operational plans of both the Ministry of Advanced Education and the Ministry of Immigration and Career Training. The strategic plan also supports objectives set in Saskatchewan's Growth Plan.

MONITOR

Enterprise Risk Management Risk Registry

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

Balanced Scorecard

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

REPORT**Annual Report**

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

STRATEGY MAP

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

Leading the Rise: Strategic Plan 2020-2025 simplified

Our purpose: We empower a better Saskatchewan

Our vision: To lead the rise of polytechnic education

Our mission: Inspire success in every learning journey

Our themes:

Inspiring
our future

Investing in
our future

Shaping
our future

Leading an
inclusive future

TO ACHIEVE SUCCESS



Learners and employers:

Advance
learner success

Advance
employer success

TO INVEST IN OUR FUTURE



Enterprise stewardship:

Increase and diversify revenue

Optimize and leverage resources

TO EXCEL IN DELIVERY



Internal processes:

Improve
learner
experience

Improve
processes
and services

Improve health, safety,
security and wellness
of our community

Grow applied
research and a
culture of innovation

Increase academic
quality and agility

TO EMPOWER OUR COMMUNITY



Organizational readiness:

Transform
infrastructure

Increase
collaboration

Improve
inclusion

Increase
technology
utilization

Strengthen
employee
development

Improve
governance

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

Statistics

The background of the slide features a series of overlapping, wavy lines that create a sense of depth and movement. The colors transition from a light grey at the top to various shades of green, ranging from a pale lime green to a deep forest green at the bottom. The lines are not perfectly straight, giving the design a dynamic and organic feel.

STATISTICS

ACADEMIC YEAR 2022-2023

GRADUATES

| NUMBER OF GRADUATES* | SASK POLYTECH DELIVERED | BROKERED | TOTAL |
|----------------------------|-------------------------------|------------|--------------|
| Applied Certificate | 326 | 80 | 406 |
| Certificate | 1,534 | 314 | 1,848 |
| Advanced Certificate | 139 | 0 | 139 |
| Post-Grad Certificate | 865 | 0 | 865 |
| Diploma | 1,035 | 151 | 1,186 |
| Degree – standalone* | 35 | 0 | 35 |
| Certificate of Achievement | 337 | 6 | 343 |
| Advanced Diploma | 26 | 0 | 26 |
| Total | 4,297 | 551 | 4,848 |

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

PROGRAMMING

| NUMBER OF POST-SECONDARY PROGRAMS* | SASK POLYTECH DELIVERED |
|------------------------------------|-------------------------------|
| Applied Certificate | 37 |
| Certificate | 43 |
| Advanced Certificate | 24 |
| Diploma | 39 |
| Degree | 4 |
| Post-Grad Certificate | 13 |
| Apprenticeship | 26 |
| Advanced Diploma | 2 |
| Certificate of Achievement | 8 |
| Masters | 1 |
| Total | 197 |

* 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% |
| Joseph A. Remai School of Construction | 97% |
| Health Sciences | 96% |
| Hospitality & Tourism | 97% |
| Human Services & Community Safety | 93% |
| Information & Communication Technology | 92% |
| Mining, Energy & Manufacturing | 98% |
| Natural Resources & Built Environment | 94% |
| Nursing | 97% |
| Transportation | 94% |

OVERALL GRADUATE EMPLOYMENT RATE*

95%

INDIGENOUS GRADUATE EMPLOYMENT RATE

92%

VISIBLE MINORITY EMPLOYMENT RATE

97%

GRADUATE SATISFACTION RATE

95%

GRADUATES EMPLOYED IN SASKATCHEWAN

91%

EMPLOYER SATISFACTION RATE**

92%

* Based on 2022-2023 Graduate Follow-up Survey of 2021-2022 graduates from Saskatchewan Polytechnic delivered programs six to twelve months following graduation.

** Based on 2022 Employer Survey. The Employer Survey is conducted every two years.

STUDENTS

INTERNATIONAL STUDENT ENROLMENT

| COUNTRY OF ORIGIN | SASK POLYTECH DELIVERED | BROKERED | TOTAL |
|--|-------------------------------|------------|--------------|
| India | 2,088 | 30 | 2,118 |
| Philippines | 254 | 12 | 266 |
| Nigeria | 193 | 11 | 204 |
| Vietnam | 143 | 0 | 143 |
| China | 31 | 1 | 32 |
| Peru | 23 | 0 | 23 |
| Columbia | 21 | 0 | 21 |
| Jamaica | 19 | 0 | 19 |
| Hong Kong | 16 | 0 | 16 |
| Pakistan | 15 | 1 | 16 |
| Other | 189 | 85 | 274 |
| Total | 2,992 | 140 | 3,132 |
| Distinct International Student Headcount* | 2,831 | 140 | 2,969 |

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

EQUITY ENROLMENT PARTICIPATION

| DESIGNATED GROUP OF STUDENTS | SASK POLYTECH DELIVERED | | | |
|---------------------------------|-------------------------|------------|--------------------------------|------------|
| | ALL PROGRAMS | | CERTIFICATE-DIPLOMA- DEGREE | |
| | # | % of total | # | % of total |
| Indigenous | 1,628 | 11% | 1,036 | 10% |
| Reported Disability | 1,110 | 7% | 868 | 9% |
| Visible Minority | 1,031 | 7% | 845 | 9% |
| Women | 7,180 | 47% | 5,714 | 58% |

EQUITY ENROLMENT PARTICIPATION (CONTINUED)

| DESIGNATED GROUP OF STUDENTS | BROKERED | | | |
|------------------------------|--------------|-----|----------------------------|-----|
| | ALL PROGRAMS | | CERTIFICATE-DIPLOMA-DEGREE | |
| | # | % | # | % |
| Indigenous | 346 | 30% | 346 | 30% |
| Reported Disability | 48 | 4% | 48 | 4% |
| Visible Minority | 59 | 5% | 59 | 5% |
| Women | 786 | 69% | 786 | 69% |

| DESIGNATED GROUP OF STUDENTS | TOTAL | | | |
|------------------------------|--------------|-----|----------------------------|-----|
| | ALL PROGRAMS | | CERTIFICATE-DIPLOMA-DEGREE | |
| | # | % | # | % |
| Indigenous | 1,974 | 12% | 1,382 | 13% |
| Reported Disability | 1,158 | 7% | 916 | 8% |
| Visible Minority | 1,090 | 7% | 904 | 8% |
| Women | 7,966 | 48% | 6,500 | 59% |

ENROLMENT BY CAMPUS

| ENROLMENT BY CAMPUS* | SASK POLYTECH DELIVERED | | | | |
|--|-------------------------|--------|-----------|---------------|--------|
| | SASKATOON | REGINA | MOOSE JAW | PRINCE ALBERT | TOTAL |
| Basic Education | 862 | 1,020 | 59 | 99 | 2,040 |
| Apprenticeship | 1,919 | 74 | 834 | 553 | 3,380 |
| Base Certificate/Diploma/Degree | 2,725 | 2,454 | 2,008 | 895 | 8,082 |
| Continuing Education Certificate/Diploma | 940 | 672 | 14 | 206 | 1,832 |
| Total | 6,446 | 4,220 | 2,915 | 1,753 | 15,334 |

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 | 756 | 1,284 | 2,040 | - | - | - | 756 | 1,284 | 2,040 |
| Apprenticeship | 3,268 | 112 | 3,380 | - | - | - | 3,268 | 112 | 3,380 |
| Cert-Dip-Degree Base | 7,833 | 249 | 8,082 | 1 | - | 1 | 7,834 | 249 | 8,083 |
| Sask Polytech Delivery only | 6,494 | 246 | 6,740 | 1 | - | 1 | 6,495 | 246 | 6,741 |
| Joint-Degree | 1,339 | 3 | 1,342 | - | - | - | 1,339 | 3 | 1,342 |
| Cert-Dip-Degree Con Ed | 548 | 1,284 | 1,832 | 941 | 193 | 1,134 | 1,489 | 1,477 | 2,966 |
| All Levels | 12,405 | 2,929 | 15,334 | 942 | 193 | 1,135 | 13,347 | 3,122 | 16,469 |
| Distinct students enrolled in programs* | 14,779 | | | 1,113 | | | 15,854 | | |

* The total distinct number of students is not simply a sum of Sask Polytech delivered and Brokered headcount, but rather the overall distinct number of students in programs.

FULL LOAD EQUIVALENT

| FULL LOAD EQUIVALENT (FLE)* | SASK POLYTECH DELIVERED | | | BROKED | | | TOTAL | | |
|--|-------------------------|------------|--------|-------------|------------|-------|-------------|------------|--------|
| | PROGRAM FLE | COURSE FLE | TOTAL | PROGRAM FLE | COURSE FLE | TOTAL | PROGRAM FLE | COURSE FLE | TOTAL |
| Basic Education | 1,249 | 62 | 1,311 | - | - | - | 1,249 | 62 | 1,311 |
| Apprenticeship | 1,142 | 42 | 1,184 | - | - | - | 1,142 | 42 | 1,184 |
| Cert-Dip-Degree Base | 7,358 | 240 | 7,598 | 1 | - | 1 | 7,359 | 240 | 7,599 |
| Sask Polytech Delivery only | 6,670 | 240 | 6,910 | 1 | - | 1 | 6,671 | 240 | 6,910 |
| Joint-Degree | 688 | - | 688 | - | - | - | 688 | - | 688 |
| Cert-Dip-Degree Con Ed | 710 | 22 | 732 | 975 | 30 | 1,005 | 1,685 | 52 | 1,737 |
| Level Not Declared | - | 973 | 973 | - | 8 | 8 | - | 980 | 981 |
| Total Credit Activity | 10,460 | 1,339 | 11,799 | 976 | 37 | 1,013 | 11,436 | 1,376 | 12,812 |
| Total Non-Credit Activity | - | 490 | 490 | - | - | - | - | 490 | 490 |
| All Levels | 10,460 | 1,828 | 12,288 | 976 | 37 | 1,013 | 11,436 | 1,866 | 13,301 |
| Distinct students (programs and courses) | 25,512 | | | 1,161 | | | 26,551 | | |

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

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

COURSE REGISTRATION

| COURSE REGISTRATION | SASK POLYTECH DELIVERED | BROKERED | TOTAL |
|---|-------------------------|----------|--------|
| Basic Education | 1,897 | - | 1,897 |
| Apprenticeship | 1,206 | - | 1,206 |
| Cert-Dip-Degree Base | 2,785 | - | 2,785 |
| Sask Polytech Delivery only | 2,785 | - | 2,785 |
| Joint-Degree | - | - | - |
| Cert-Dip-Degree Con Ed | 12,259 | 514 | 12,773 |
| Total Credit Activity | 18,147 | 514 | 18,661 |
| Total Non-Credit Activity | 10,759 | 1 | 10,760 |
| All Levels | 28,906 | 515 | 29,421 |
| Distinct students registered in courses | 13,735 | 64 | 13,793 |

FACULTY AND STAFF

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

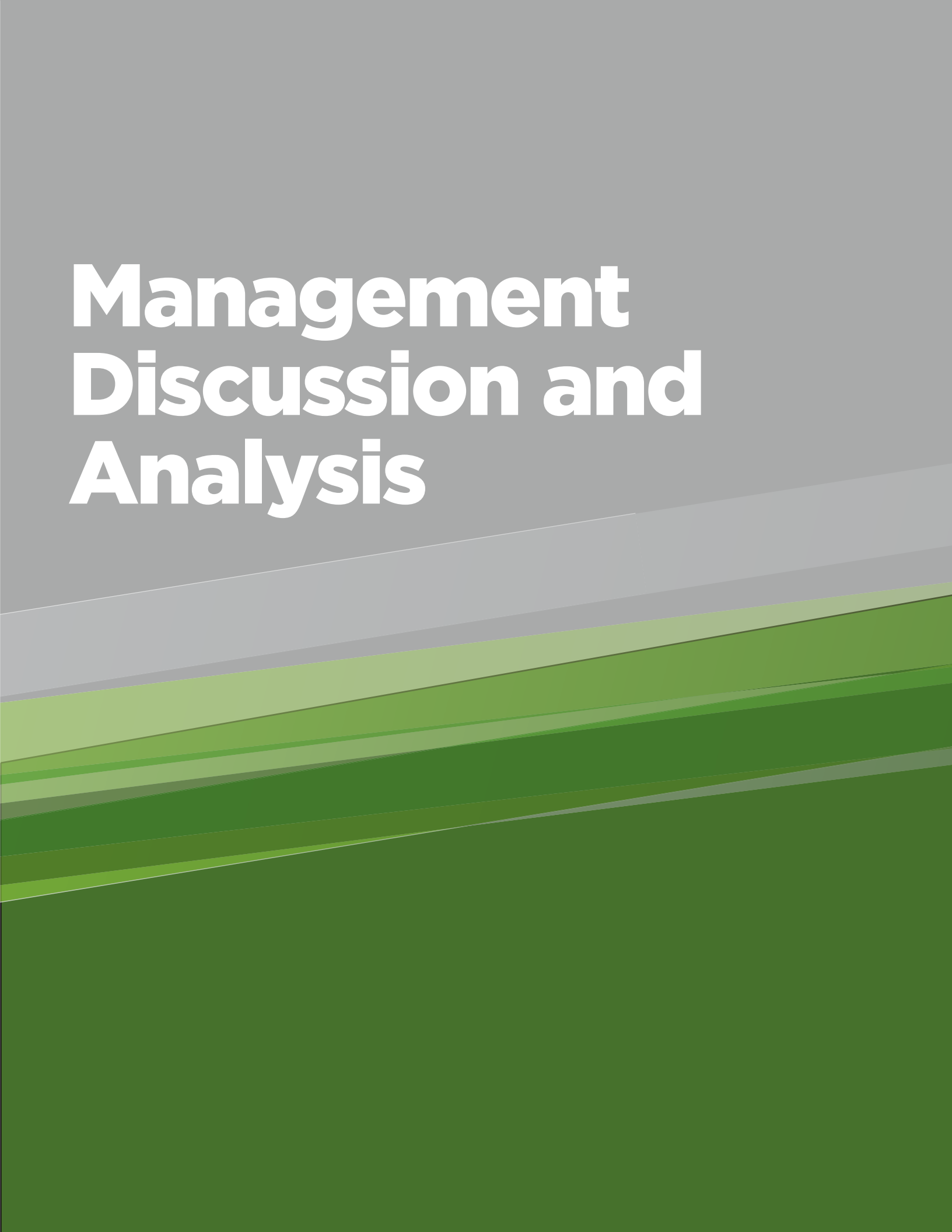
| | ACADEMIC | | PROFESSIONAL SERVICES | | RESEARCH EXEMPT | | OUT-OF-SCOPE | | TOTALS | |
|---------------|----------|---------|-----------------------|---------|-----------------|---------|--------------|---------|---------|---------|
| | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 |
| Moose Jaw | 162 | 180 | 85 | 84 | 1 | 1 | 11 | 13 | 259 | 278 |
| Prince Albert | 108 | 118 | 56 | 56 | 2 | 3 | 10 | 10 | 176 | 187 |
| Regina | 296 | 323 | 166 | 177 | 1 | 1 | 43 | 51 | 506 | 552 |
| Saskatoon | 445 | 477 | 195 | 215 | 9 | 10 | 49 | 49 | 698 | 751 |
| Admin. Office | 2 | 3 | 66 | 70 | 0 | 2 | 70 | 73 | 138 | 148 |
| Totals | 1,013 | 1,102 | 568 | 604 | 13 | 17 | 183 | 196 | 1,777 | 1,919 |

* 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

FTE does not include: part-time status employees who only work casual assignments or extension service contract assignments, casual status employees, extension contracts or individuals on leave.

Management Discussion and Analysis

The background of the slide features a series of diagonal stripes. The top portion is a solid grey. Below this, there are several bands of green in varying shades, from light to dark, creating a sense of depth and movement. The stripes are separated by thin, lighter-colored lines.

MANAGEMENT DISCUSSION AND ANALYSIS: RESULTS ACHIEVED

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

Purpose: We empower a better Saskatchewan

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

Vision: To lead the rise of polytechnic education

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

Mission: Inspire success in every learning journey

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

The purpose, vision and mission are supported by 15 strategic objectives and a broad suite of success measures. Strategic objectives are cascaded and operationalized throughout the organization. The strategy map on page 12 identifies Saskatchewan Polytechnic's strategic objectives to 2025.

PERSPECTIVE: LEARNERS AND EMPLOYERS

STRATEGIC OBJECTIVES

Advance Learner Success

Advance Employer Success

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

ACADEMIC PLAN

Saskatchewan Polytechnic approved [Innovation in Action: Academic Plan 2021-2026](#) to further define the academic objectives of the strategic plan, [Leading the Rise 2020-2025](#). Each of the academic plan's five themes identify more detailed commitments and cover the spectrum of student, industry and institutional expectations for post-secondary education. Each academic year, the senior academic leadership team selects

commitments for focused attention and action as part of the strategy cascade for Saskatchewan Polytechnic. The Academic Plan is supported by several divisional plans; this includes the [Technology Enhanced Learning Plan](#), which enabled the development of active learning classrooms and emerging technologies training spaces in 2022-2023. In addition, Saskatchewan Polytechnic embarked on the development of Strategic Enrolment Management Framework and a Learning Organization Model and Action Plan to actively support continuous organizational learning and good relationships.

SCHOOL OF CONTINUING EDUCATION

Launched in September 2020, the School of Continuing Education (CE) has been very successful in creating additional pathways and offerings outside of traditional programming. CE engages learners at all stages of life and is building partnerships within and beyond Saskatchewan Polytechnic. Through funding from the federal and provincial governments, as well as industry and community partners, multiple opportunities, including some to assist individuals facing barriers to employment, were made available. For example, CE partnered with Royal Bank of Canada's Future Launch program to support 144 youth in accessing training to promote pathways to trades. Saskatchewan Polytechnic's self-reported participant preparedness score (how prepared participants felt to have a career in the trades) was 89 per cent, which was 72 per cent higher than all other Future Launch partners.

CE continues to explore market opportunities for continuing education and corporate offerings. It is also developing new and enhanced programming for part-time studies and for corporate, not-for-profit and governmental organizations to address the changing needs of Saskatchewan's economy. The launch of Surge Micro-Credentials places Saskatchewan Polytechnic at the forefront of Canadian post-secondary institutions in this new segment of lifelong learning opportunities. In 2022-2023, 32 new micro-credentials were created and added to the multi-disciplinary list of offerings available. In addition, CE signed an agreement with Women Entrepreneurs of Saskatchewan to develop three micro credentials supporting women entrepreneurs by advancing business, sales, and marketing skills.

NEW PROGRAMS

To meet emerging labour market demands and advance learner and employer success, the following new programs were launched in 2022-2023:

Agriculture and Food Production Diploma – The three-year Agriculture and Food Production diploma offered at Moose Jaw Campus provides learners with the foundational technical, environmental and managerial knowledge and skills required to contribute to the evolving agriculture industry. Learners gain the ability to adapt to the rapid pace of technological and environmental change in this multi-faceted industry with the advantage of having hands-on training on agricultural equipment and three co-operative education work terms. The program began in September 2022 as a core funded program with a capacity of 30 learners, delivering 1,875 hours over two and a half years of study.

Hospitality and Tourism Post-graduate Certificate – The School of Hospitality and Tourism offers the post-graduate certificate in Hospitality and Tourism Management. This

program provides an opportunity for international and domestic learners with unrelated degrees to complete a post-graduate certificate in Business Management and follow up with a post-graduate certificate in Hospitality and Tourism Management to enter the hospitality industry. The program consists of 30 credit units over two terms of study, delivered to 30 learners in the first year and 60 learners annually in successive years.

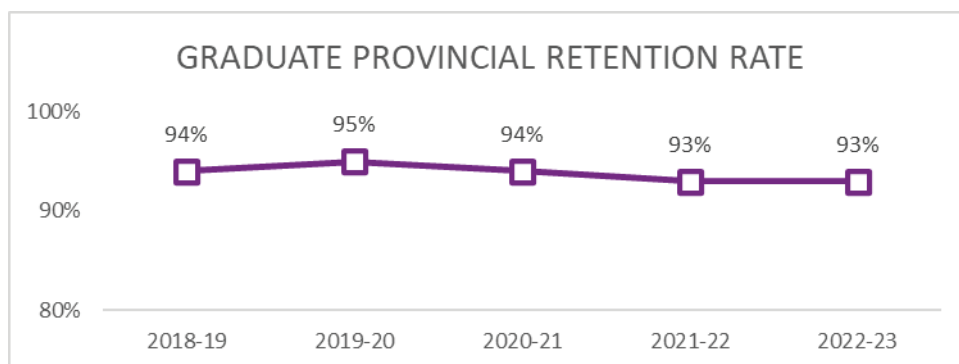
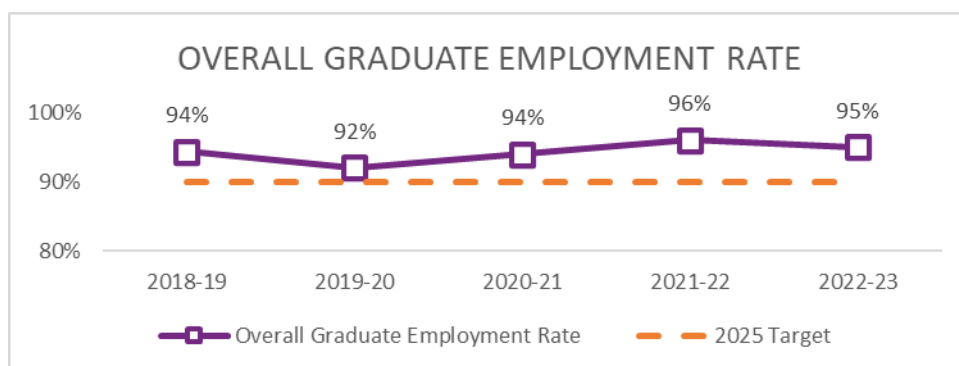
BALANCED SCORECARD RESULTS:

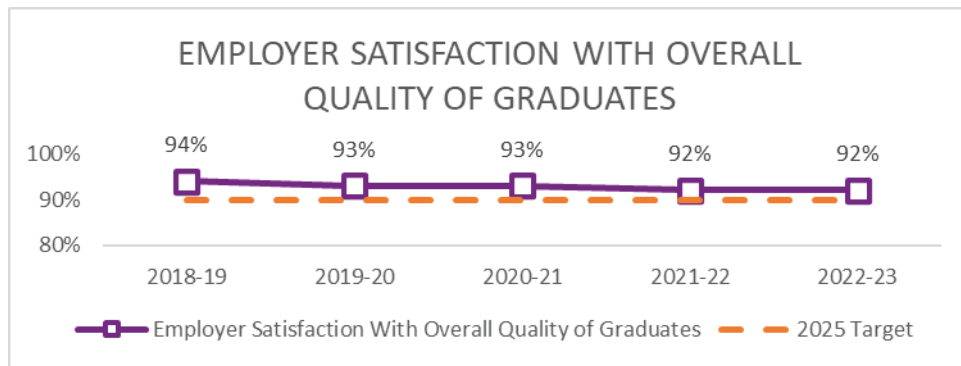
OVERALL GRADUATE EMPLOYMENT RATE

GRADUATE PROVINCIAL RETENTION RATE

EMPLOYER SATISFACTION WITH OVERALL QUALITY OF GRADUATES

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





PERSPECTIVE: ENTERPRISE STEWARDSHIP

STRATEGIC OBJECTIVES

Increase and Diversify Revenue

Optimize and Leverage Resources

Saskatchewan Polytechnic is committed to fostering a sustainable future through effective financial, infrastructure and natural environment management. Programs and services are continually reviewed to ensure they provide value and are aligned with strategic objectives.

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

ADVANCEMENT CAPACITY BUILDING

The Office of Advancement continues to build strong relationships with Saskatchewan Polytechnic's alumni and philanthropic communities. Advancement's mandate is to inspire philanthropic support from alumni and stakeholders to support the mission of Saskatchewan Polytechnic. In preparation for increased levels of fundraising and alumni engagement, Advancement began phase one of a Service Design and Delivery project intended to improve the delivery of services that support a positive giving and engagement experience. This will support Saskatchewan Polytechnic in building an informed and engaged alumni community that chooses to give in support of critical student need. As of June 30, 2023, total donation revenue for 2022-2023 was over \$6 million.

DIGITIZATION AND INTEGRATION OF PROCESSES AND SERVICES

Digitization was an important component of several strategic initiatives across Saskatchewan Polytechnic in 2022-2023. In Administrative Services, replacing paper-based processes, increasing automation and enhancing access to digital information improved operational efficiency and supported data-driven decision-making. Live application and enrolment reporting capability has been leveraged to create a data

visualization tool to support strategic enrolment management. To enhance recruitment, Saskatchewan Polytechnic procured and began the process of implementing a new institution-wide customer relationship management system.

To enhance program delivery, Schools implemented a variety of digitization initiatives including:

- Literacy and Adult Education: Piloted HyFlex program delivery in Language Instruction for Newcomers program.
- School of Information Communication Technologies: Integrating artificial intelligence into curriculum development and courses.
- School of Continuing Education: Collaborated with Learning Technologies to pilot a Virtual Demo Lab to support apprentices who have learning barriers enhance their understanding of curriculum through using digital accommodations.

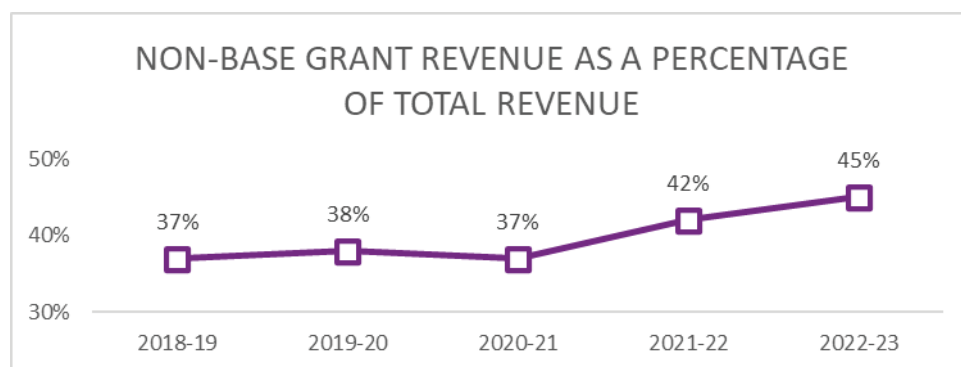
INFRASTRUCTURE

The Saskatoon Campus Project remained Saskatchewan Polytechnic's number one strategic priority.

Saskatchewan Polytechnic worked with its project partners to explore a location for the new campus in the vicinity of the University of Saskatchewan and Innovation Place and to better understand the requirements for a new campus. Other major infrastructure projects continued in 2022-2023 including the Moose Jaw mezzanine and trades renovation and several projects related to the Health Human Resources Action Plan program expansions.

BALANCED SCORECARD RESULT:

NON-BASE GRANT REVENUE AS A PERCENTAGE OF TOTAL REVENUE



STRATEGIC OBJECTIVES

Improve Learner Experience

Improve Processes and Services

Improve Health, Safety, Security and Wellness

Increase Academic Quality and Agility

Grow Applied Research and a Culture of Innovation

ENROLMENT SERVICES MODERNIZATION

In 2022-2023, a comprehensive Student Services Plan was developed and will be launched in 2023-2024. A key component was to begin the development of a strategic enrolment management (SEM) framework to focus on learner success. Through the ongoing modernization of enrolment services, admission and registration processes were revised for enhanced communication, increased efficiencies and increased flexibility to meet applicant and learner needs. Strategic improvements in 2022-2023 include further development of the online CE course registration system and the full implementation of MyCreds, a digital wallet that gives students and alumni secure and reliable access to letters of acceptance, enrolment verifications, parchments and other documents.

In 2022-2023, several long-term projects commenced. The scheduling and timetabling project was initiated to optimize classroom space utilization, provide timetabling flexibility to support enhanced learner experience and satisfaction, improve use of human resources and increase access to data that can be used in future planning (e.g., facility enhancements). The configuration of a new customer relationship management system has set the stage for a transformation of the application and enrolment process in 2023-2024.

APPLIED RESEARCH RESULTS

Applied research is an established area of strength. Employers continue to seek out Saskatchewan Polytechnic as a provider of real-world solutions to market challenges. In 2022-2023, Saskatchewan Polytechnic continued to assist 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.

In 2022-2023, applied research achievements include:

- Total external funding for applied research projects was \$5,401,828.
- Total applied research revenue was \$5,773,190.
- 68 external applied research projects were awarded funding.
- Applied research projects were undertaken with 76 companies and external organizations.
- 221 faculty members and researchers participated in applied research projects, an increase of 40 per cent over the previous year.

- 934 Saskatchewan Polytechnic students were engaged in research; an increase of 51 per cent over the previous year.
- 107 internal projects were awarded through Saskatchewan Polytechnic's Seed Applied Research Projects Fund, the Sustainability Innovation Fund, Academic Innovation Fund, Internal Audit, Natural Sciences and Engineering Research Council of Canada (NSERC), Applied Research Course Release, the Centre for Health Research Improvement and Scholarship (CHRIS) and through student scholarships.

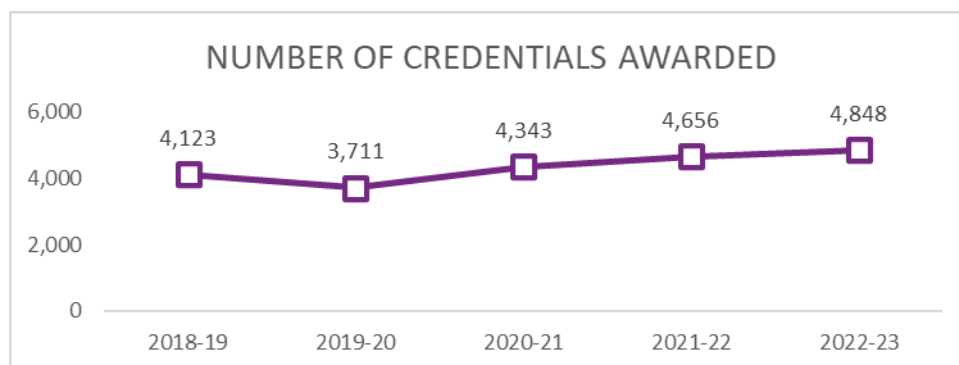
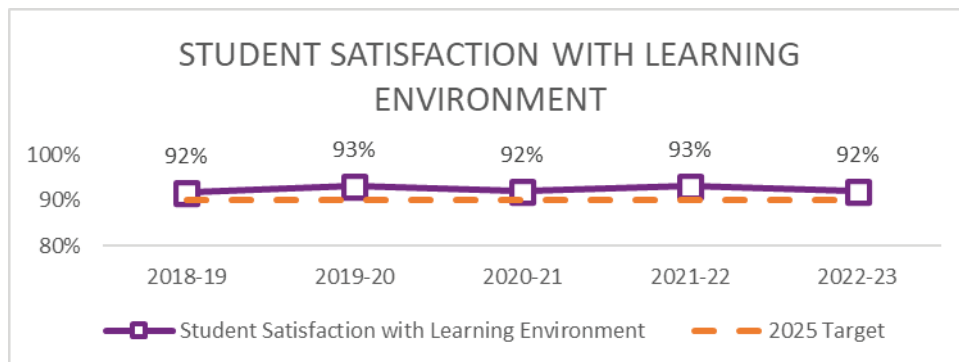
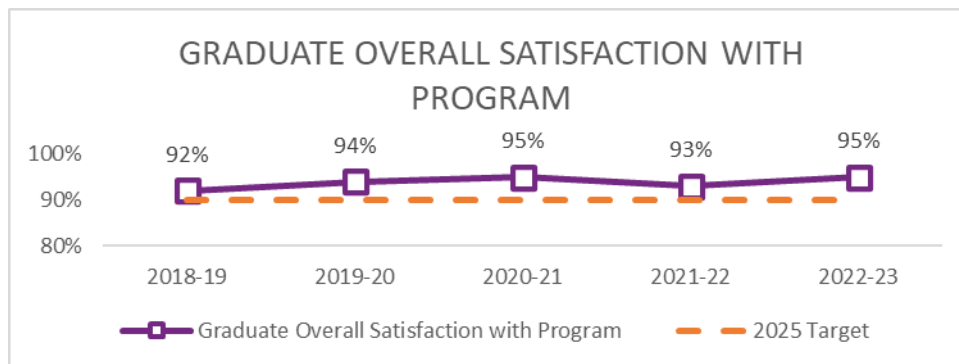
BALANCED SCORECARD RESULTS:

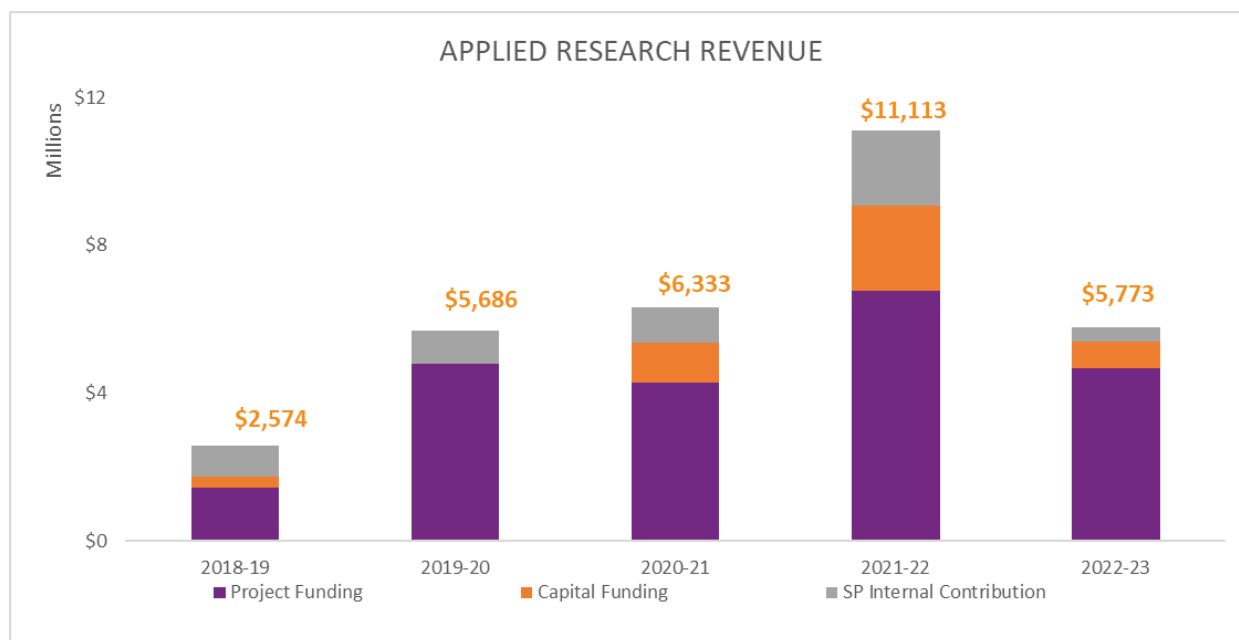
GRADUATE OVERALL SATISFACTION WITH PROGRAM

STUDENT SATISFACTION WITH LEARNING ENVIRONMENT

NUMBER OF CREDENTIALS AWARDED

APPLIED RESEARCH REVENUE





A cumulative target of \$10M has been set, to be achieved over the duration of the Strategic Plan (2020-2025).

PERSPECTIVE: ORGANIZATIONAL READINESS

STRATEGIC OBJECTIVES

Transform Infrastructure

Increase Collaboration

Improve Inclusion

Increase Technology Utilization

Strengthen Employee Development

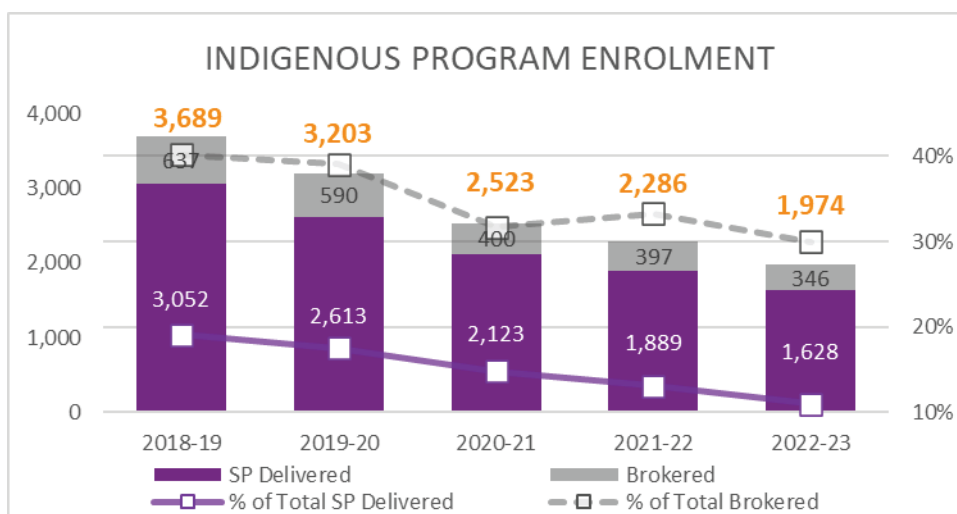
Improve Governance

INDIGENOUS STUDENT SUCCESS

Indigenous student enrolment and student success remains a priority for Saskatchewan Polytechnic. Due to a number of external factors, Saskatchewan Polytechnic has seen a decline in Indigenous student enrollments over the last five years. In the 2020-2021 academic year, Indigenous postsecondary enrolment decreased across the province due to challenges related to the COVID-19 pandemic. This decline has continued in some program areas, particularly those impacted by provincial administrative changes to funding supports available to adults seeking to complete their high school education. In light of these trends, Saskatchewan Polytechnic has implemented a number of management actions to support Indigenous students and reverse the downward trends.

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, honour ceremonies and policies that promote

cultural safety. In 2022-2023, to remove barriers, Saskatchewan Polytechnic waived program application fees for Indigenous learners. The institution celebrated the 10th year of the Indigenous Role Model program, featuring 120 success stories that inspire and engage current and prospective students. In addition, Saskatchewan Polytechnic hosted the first powwow to honour miyo wâhkôhtowin (good relationships). The powwow hosted approximately 500 attendees in Saskatoon, promoting diversity and inclusivity on campus and expressing the positive value and richness of experience that stems from interconnectedness and relationships. Finally, Saskatchewan Polytechnic embarked on a refresh of the Indigenous Student Success Strategy that engaged students, employees, Indigenous communities and other stakeholders. The refreshed strategy will be launched in 2023-2024 and will include additional management actions and strategies to support Indigenous student enrolment and success.



CAMPUS MODERNIZATION

The Saskatchewan Polytechnic learning environment impacts all aspects of the learner experience and is a critical component of learner success. In 2022-2023, enhancements to existing spaces required a combination of physical and administrative improvements. Saskatchewan Polytechnic completed a major renovation to modernize bookstore space at the main campuses in Moose Jaw, Prince Albert and Saskatoon. Cafeteria space at all four main campuses has also been renovated. In addition, a province-wide campus refresh project enhanced both interior and exterior spaces. This included the introduced Indigenous visual identity throughout campuses.

ENHANCED EMPLOYEE SUPPORT AND DEVELOPMENT

Saskatchewan Polytechnic invests in employee engagement and development. For the sixth consecutive year, Saskatchewan Polytechnic was named one of Saskatchewan's Top Employers. Key factors in this award include providing employees with health and family supports, and training and skills development opportunities. Saskatchewan Polytechnic has continued to integrate the [Wellness Strategy](#) with a variety of employee support and development initiatives. In 2022-2023, an institution-wide equity, diversity, inclusion and indigenization strategy was developed and will be launched in 2023-2024.

In addition, expanded leadership and safety training offerings were introduced, including access to the Chair Academy for academic leaders.

STRATEGY, GOVERNANCE, COMMUNICATION AND BUSINESS PROCESS ENHANCEMENT

To support the achievement of Saskatchewan Polytechnic's Strategic Plan goals, the Strategic Plan was cascaded throughout the organization through the development and implementation of strategic plan cascade workbooks. Each department developed a list of priorities and operational plans to communicate the focus areas. Saskatchewan Polytechnic continued to enhance risk communication, culture and integration with decision-making processes. Enhancements were made to the enterprise risk management program to map insurance holdings to enterprise risks. Plans are in place to continue to mature the risk management program and risk management strategies.

New corporate agreement review and management practices were introduced to support the organization through the full lifecycle of agreements. Training and resources, including agreement templates, have been developed and deployed to targeted areas. Corporate agreement management software was acquired in 2022-2023 with full implementation and change management anticipated in 2023-2024.

An enterprise project management services model was developed and project management services were deployed to support several strategic, cross-functional projects. Additionally, project management training, resources and tools were made available. These services support the capacity to deliver on a variety of strategic objectives.

INFORMATION TECHNOLOGY STRATEGY AND GOVERNANCE

Technology modernization and strong information technology (IT) governance continue to support Saskatchewan Polytechnic's technology-enhanced learning environment and ensures that faculty, staff and students have the tools and services needed for learner success. In 2022-2023, an enterprise IT governance model was established. This allows Saskatchewan Polytechnic to leverage IT resources to better support strategic objectives. The IT governance model includes enterprise IT project governance and institutional data governance. In addition, a three-year ITS strategic plan has been developed and will be launched in 2023-2024.

ENTERPRISE RISK MANAGEMENT

The purpose of enterprise risk management (ERM) at Saskatchewan Polytechnic is to identify and manage the risks that could influence the execution of the institution's strategy and operations. The ERM program provides a structured, consistent, and continuous process for the proactive identification and reporting of risks to senior management and the board of directors. The ERM policy and procedures establish the principles of the program, assign roles and responsibilities for risk management and establish a common risk language.

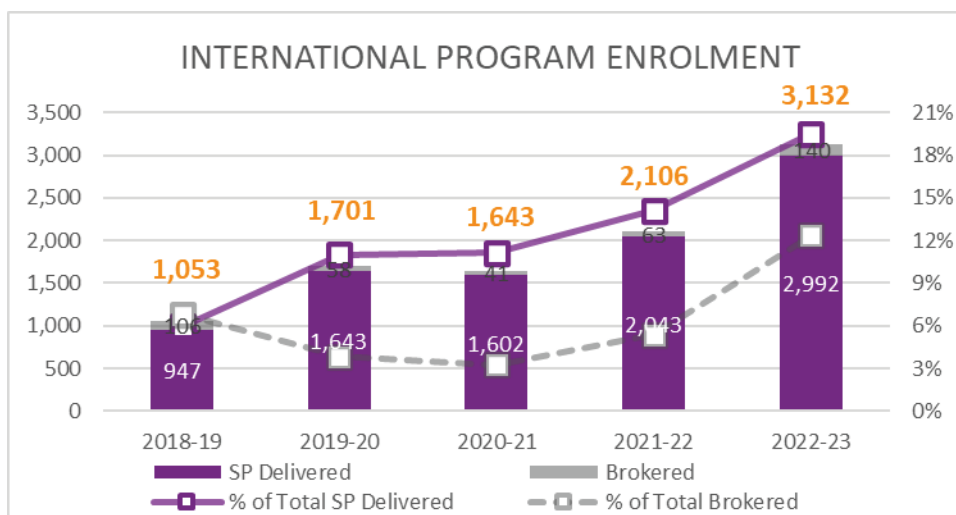
In 2022-2023, Saskatchewan Polytechnic managed 48 distinct enterprise risks in eight

consolidated risk categories. Risk scores represent the likelihood of risks and the impact on Saskatchewan Polytechnic's strategic objectives. They are calculated using the impact matrix and likelihood scale approved under the ERM policy. Through a variety of management actions, in collaboration with multiple stakeholders, Saskatchewan Polytechnic was able to successfully reduce or maintain enterprise risk levels in most areas:

| Risk Category | 2022-2023 Q1 Score | 2022-2023 Q4 Score |
|-----------------------|-----------------------|-----------------------|
| G1.0 Governance | 7.2 | 7.2 |
| S2.0 Strategy | 8.9 | 7.9 |
| R3.0 Reputation | 10.0 | 10.0 |
| ST4.0 Student | 11.5 | 11.5 |
| F5.0 Financial health | 11.3 | 10.7 |
| W6.0 Workforce | 11.7 | 11.2 |
| O7.0 Operations | 11.9 | 11.6 |
| P8.0 Program | 6.9 | 6.9 |

INTERNATIONAL STUDENT SUCCESS

Saskatchewan Polytechnic's international framework enriches students' learning, prepares them for an increasingly multicultural global workplace, and enhances faculty and staff capabilities through collaborations, partnerships and experiences. Aligning with both provincial and federal international education growth strategies, Saskatchewan Polytechnic's [Global Engagement Plan](#) guides the institution's international strategy. In 2022-2023, Saskatchewan Polytechnic reached the milestone of 3,000 international enrolments (2,992 in Sask Polytech-delivered programs and 140 in brokered programs) from more than 60 countries. To support international partnerships, transnational education projects and enrolment growth, Saskatchewan Polytechnic has in-country representatives in nine countries serving over 40 national markets.



MANAGEMENT DISCUSSION AND ANALYSIS: FINANCIAL PERFORMANCE

(in thousands of dollars)

In fiscal 2023, Saskatchewan Polytechnic recorded an operating surplus of \$15,474 compared to a planned operating deficit of \$7,821, resulting in a positive operating variance of \$23,295. Much of the positive operating variance was due to capital project funding received in 2022-2023 for the Saskatoon Campus Renewal Project and School of Nursing program expansions which will be spent on related capital equipment, faculty resources and operational supplies in the upcoming 2023-2024 year. This targeted funding received is required to be recognized as revenue in 2022-2023 due to Public Sector Accounting Standards. These projects were completed after the end of the 2022-2023 fiscal year; therefore, the unspent funds were transferred to the restricted reserve and used to offset expenditures in future years. The operating surplus was also driven by a significant amount of budgeted capital and approved projects still in process across year-end. There were also large salary savings across the institution due to vacancies the result of difficulties in recruiting, increased program and student fees resulting from a higher volume of enrolment than budgeted as well as investment income higher than anticipated due to the rising interest rates. These factors were largely anticipated and forecasted as part of regular ongoing financial review processes.

These positive variances were partially offset by less than expected domestic tuition and net revenue in the School of Continuing Education. Additionally, there was increased capital spending as Saskatchewan Polytechnic engaged in advanced capital spending on priority needs for the institution to mitigate global supply chain issues, lessen future inflationary increases and reduce the backlog of aging capital equipment.

Saskatchewan Polytechnic's unrestricted operating surplus balance represents funds where Saskatchewan Polytechnic has discretion in determining their future use. It is the accumulation of prior years' net surpluses, adjusted for funds with external restrictions on their use. Saskatchewan Polytechnic's unrestricted operating surplus (UOS) at June 30, 2023 increased to a closing balance of \$10,256 which was \$5,922 greater than budget. A significant portion of this surplus will be required to fund the completion of 2022-2023 projects and capital purchases that were in process across year-end. The remainder was largely anticipated and was factored into the 2023-2026 Multi-year Business Plan to mitigate the impact of the 2023-2024 removal of the incremental funding under the Multi-Year Funding Agreement.

Highlights: Actual 2023 Compared to plan 2023

The operating surplus of \$15,474 in fiscal 2023 compares to a planned operating deficit of \$7,821, resulting in a positive variance of \$23,295. 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 \$26,147 or 13.2 per cent due to funding received from the Ministry of Advanced Education for the Health Human Resources Action Plan (HHR), Internationally Educated Nurse Training, Saskatoon Campus Renewal Project and collective agreement support for the Saskatchewan Polytechnic Faculty Association agreement. Also contributing to the positive variance is revenue generated in the Office of Applied Research and Innovation and the School of Continuing Education. Shortfalls in Learning and Teaching partially

offset these increases due to less than anticipated brokerage activity, and less than anticipated activity in Language Instruction for Newcomers to Canada, Literacy and Adult Education and International Projects.

- Tuition and fees were greater than budget by \$320 or 0.4 per cent. The positive variance is due to greater than expected application fees due to a high number of international applications for the 2023-2024 year and increased program and student fees collected from the increased enrolment. International tuition had increased tuition across most schools offset by shortfalls primarily in the School of Information and Communications Technology. Also offsetting the positive variance was domestic tuition, with shortfalls seen across most schools except the School of Nursing, which exceeded enrolment targets.
- Sales were less than budget by \$971 or 9.4 per cent due to revenue shortfalls in bookstores and print services, resulting from the budget being restored to pre-pandemic levels, but actual activity not returning as anticipated.
- Other revenue was greater than budget by \$3,245 or 75.5 per cent primarily due to investment income, which increased due to the rise in rates.
- Academic expenses were greater than budget by \$5,989 or 3.3 per cent, mainly due to greater than expected activity in Applied Research and the School of Continuing Education. There were also greater than budgeted operational expenditures due to rising material costs and severance costs incurred above budget. These negative variances were partially offset by positive salary variances in several of schools and divisions across Saskatchewan Polytechnic, mainly due to both planned and unplanned vacancies and less operational expenses in Adult and Literacy Education due to low enrolment.
- Administration expenses were greater than budget by \$963 or 1.9 per cent, due to expenditures related to the annual employee PD event, additional student furniture and parking-related expenses in Facilities Management. Savings in Communications and Marketing due to delays in the Campus Refresh project partially offset these negative variances.
- Student Services expenditures were less than budget by \$1,121 or 6.3 per cent due to salary savings as several positions were vacant throughout the year as a result of hiring delays.
- Ancillary expenses were less than budget by \$511 or 5.8 per cent due to less than expected cost of sales expenses as a result of revenue shortfalls in the bookstores and print services.

Highlights: Actual 2023 Compared to 2022

The operating surplus for fiscal 2023 was \$15,474 compared to the surplus of \$9,216 for fiscal 2022. A discussion of the variances by the main revenue category and expenses by function follows:

- Grant and contractual services revenues increased by \$1,738 or 0.8 per cent from 2022. The primary contributors to increased grant and contractual services revenue were government funding received for the expansions related to the School of Nursing and HHR and funding to support collective agreement increases for the final year of the existing Saskatchewan Polytechnic Faculty Association agreement. There was also an increase in apprenticeship revenue over the prior year due to increased demand for training, and an increase in Applied Research contracts. A reduction in the School of Continuing Education revenue partially offsets the increased grant and contractual

services revenue, as significant funding was received in the prior year from the Ministry of Immigration and Career Training for the New Start program which was completed in 2021-2022.

- Tuition and fees increased by \$15,553 or 25.0 per cent primarily due to an increase in international tuition, the result of a continued focus on international student recruitment and retention. An approved core tuition increase of four per cent also contributed to this increase, as did increased program and student fees due to increased student enrolment.
- Sales increased by \$1,828 or 24.3 per cent due to increased parking revenue in 2022-2023 as staff parking fees were collected for the full year, but only for the last half of the year in 2021-2022. There were also increased sales in the cafeterias as they were open for the entire 2022-2023 year, but only reopened for part of 2021-2022. Bookstores and print shops also had increased sales of manuals, supplies and merchandise over the prior year.
- Other revenue increased over the prior year by \$4,802 or 175.1 per cent primarily due to increased investment income, the result of rising interest rates. There was also increased locker rental revenue from increased student usage as all academic programming returned to campus in 2022-2023.
- Academic expenses increased by \$13,209 or 7.5 per cent. Salaries and operational expenditures, such as program materials and supplies, increased due to the School of Nursing and HHR expansions. Additionally, there were increased salary costs in the current year compared to 2021-2022 due to multiple unplanned vacancies in the Schools of Nursing and Health Sciences in the prior year due to turnover and longer hiring times for many programs because of pandemic-related healthcare demands. International enrolment significantly increased in 2022-2023 requiring additional support and instructional positions, primarily in the Schools of Business and Information and Communications Technology. There was also an increase in Applied Research contracts and apprenticeship training over the prior year, resulting in increased salary and operating expenses. This was partially offset by salary reduction over the prior year as training in the School of Continuing Education decreased substantially in the current year due to several large projects that occurred and were completed in 2021-2022, including New Start and Shockproofing for Future Skills programming.
- Administration expenditures increased by \$1,614 or 3.3 per cent as the result of an increase in travel and professional development expenditures as travel and professional development have returned to pre-pandemic levels. There were also increased salary expenses as several vacant positions in the prior year have been filled and positions that were held vacant during the pandemic were reinstated in 2022-2023. These increases were partially offset by reductions in operating expenses in Information Technology Services (ITS) due to the increased resources required in the prior year to strengthen information technology security in response to the cybersecurity incident.
- Student Service expenses increased by \$1,899 or 12.8 per cent due to positions that were held vacant during the pandemic being reinstated in 2022-2023, increased travel and professional development expenses and expenses incurred in 2022-2023 related to an enrolment services modernization initiative.
- Ancillary services expenses increased by \$656 or 8.6 per cent. This increase can be mainly attributed to the cafeterias remaining fully operational throughout the 2022-2023 fiscal year; by contrast, they were only open for a portion of the previous year.

Highlights: Plan 2024

Saskatchewan Polytechnic has increased its projected combined operating and capital deficit from \$1,417 in 2022-2023 to \$5,586 in 2023-2024. This results from reduced funding as per the Multi-Year Funding agreement with the Ministry of Advanced Education and rising costs resulting from changes in the economic environment due to inflationary pressures. This deficit is supported by a healthy and strategic reserve balance, and over a three-year planning horizon, Saskatchewan Polytechnic is projecting a balanced operating and capital budget by 2025-2026.

The most significant areas of anticipated change from the fiscal 2023 budget to the fiscal 2024 budget are:

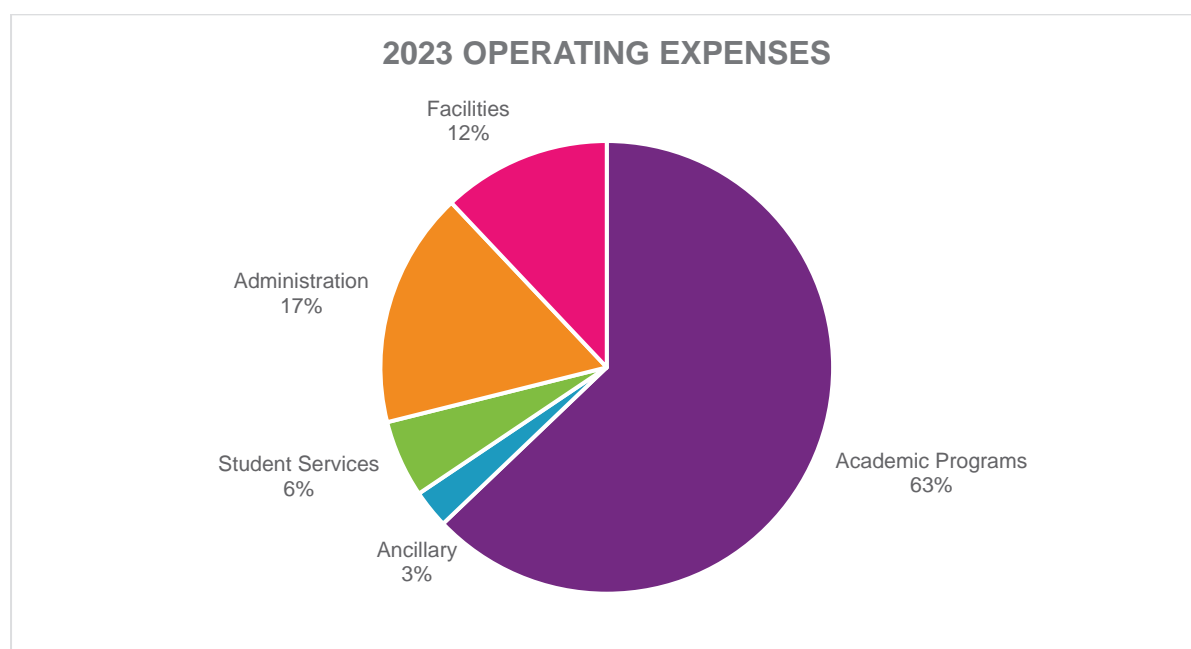
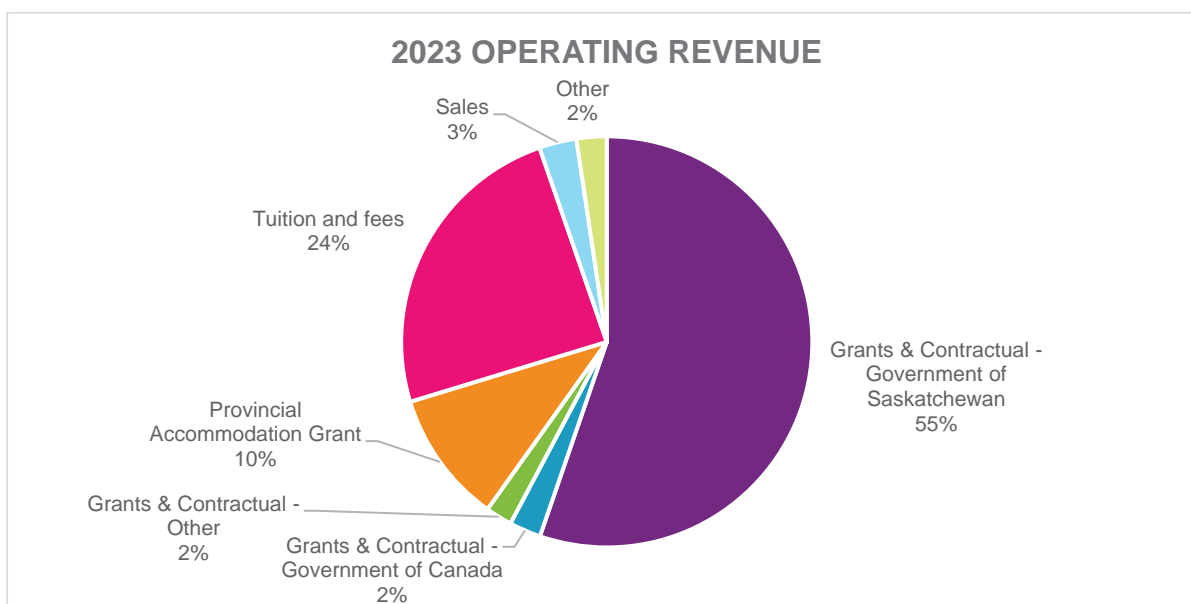
- Grant revenue and contractual services are budgeted to increase by \$17,510 or 8.9 per cent. Grant revenue will increase due to funding to support Internationally Educated Nurse Training, collective bargaining agreements for the Saskatchewan Polytechnic Faculty Association and the School of Nursing and HHR expansions. There are also anticipated increases in contract revenue due to the expected expansion of Continuing Education activity and increases in apprenticeship partially offset by reduced funding for accommodation expenses.
- Tuition and fees are anticipated to increase by \$10,823 or 14.0 per cent primarily due to international enrolment growth and tuition increases planned for 2023-2024. Application fees and other program and student fees are also expected to increase due to the increased enrolment, along with tuition increases in Continuing Education due to an expected increase in activity.
- The budget for other revenue is increasing by \$1,643 or 38.2 per cent primarily as a result of increased investment income due to rising interest rates.
- Academic program costs are expected to increase by \$21,696 or 11.8 per cent. With a continued focus on revenue generation at Saskatchewan Polytechnic and increased international enrolment expected in 2023-2024, new instructional and support positions are required to support international capacity and enrolment expansion, primarily in the Schools of Business and Information and Communications Technology. The remainder of the increase is due to additional resources and operational expenses required in the School of Nursing due to the program expansions and to support capacity building in the School of Continuing Education.
- Administration costs are expected to increase by \$1,100 or 2.2 per cent. Investments have been made in the Campus Refresh project, campus wayfinding and additional resources were added to support continued revenue growth. There were also increases to personnel in Human Resources to support the School of Nursing and HHR expansions, in Strategy Management to support enterprise project management, continuous improvement and data analysis and in Facilities Management to support the Saskatoon Campus Planning project.
- Student Services costs are expected to increase by \$2,050 or 11.5 per cent. This is mainly the result of expected costs related to implementing a customer relationship management system, in addition to overall increased travel and professional development expenses.

Capital Spending Summary

Saskatchewan Polytechnic planned for a net capital budget of \$6,404 in 2022-2023. The net capital budget resulted from budgeted amortization of \$10,846 less planned capital

expenditures of \$4,442. Actual capital spending was \$15,189 compared with planned capital spending of \$4,442.

The primary drivers of the increased capital spending were related to the School of Nursing and HHR expansions and the new Saskatoon Campus and Moose Jaw Mezzanine projects, none of which were included in the planned capital spending but have been funded by the Ministry of Advanced Education. Additionally, as a positive operating surplus was projected for 2022-2023, Saskatchewan Polytechnic engaged in advanced capital spending on priority needs for the institution, reducing the pressure on the 2023-2024 budget. This advanced spending also helps to lessen future inflationary increases, mitigate global supply chain issues still affecting the procurement of capital equipment and enables programs to access current technologies, equipment and infrastructure required for training students.



Key financial results and data

(Dollars in thousands)

| | 2022 Actual | 2023 Plan | 2023 Actual | 2024 Plan |
|---------------------------------|----------------|--------------|----------------|--------------|
| Operations | | | | |
| Annual surplus/(deficit) | \$9,216 | \$ (7,821) | \$15,474 | \$ (3,363) |
| <u>Revenue:</u> | | | | |
| Grants and contractual services | 222,125 | 197,716 | 223,863 | 215,226 |
| Tuition and fees | 62,144 | 77,377 | 77,697 | 88,200 |
| Sales | 7,531 | 10,330 | 9,359 | 10,079 |
| Other revenue | 2,743 | 4,300 | 7,545 | 5,943 |
| <u>Expenses:</u> | | | | |
| Academic programs | 177,262 | 184,482 | 190,471 | 206,178 |
| Facilities | 36,194 | 36,353 | 36,479 | 36,631 |
| Administration | 49,456 | 50,107 | 51,070 | 51,207 |
| Student services | 14,831 | 17,851 | 16,730 | 19,901 |
| Ancillary | 7,584 | 8,751 | 8,240 | 8,894 |
| Financial Position | | | | |
| Unrestricted operating surplus | \$ 9,016 | \$ 4,334 | \$ 10,256 | \$ 446 |
| Financial assets | 103,227 | 78,534 | 113,893 | 79,418 |
| Liabilities | 96,801 | 76,734 | 93,224 | 81,286 |
| Net assets/(debt) | 6,426 | 1,800 | 20,669 | (1,869) |
| Tangible capital assets | 62,036 | 54,563 | 64,556 | 62,119 |
| Accumulated surplus | 74,357 | 58,363 | 89,831 | 62,250 |

¹ Several specific capital and operating projects included in the fiscal 2023 budget were in progress at June 30, 2023, leading to requests to utilize these unspent funds in fiscal 2024. The 2024 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 features a series of diagonal stripes in various shades of green and grey, creating a modern, abstract design. The stripes are layered, with some appearing as thin lines and others as wider bands, all sloping upwards from left to right. The top portion of the page is a solid light grey, providing a clean backdrop for the white text.

MANAGEMENT REPORT

September 29, 2023

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 AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net financial assets 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 auditor's report thereon, included in Annual Report document as at the date of this auditor's 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 auditor's 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.

Auditor's 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 auditor's report that includes our opinion.

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's 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 auditor's 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 29, 2023

Tara Clemett, CPA, CA, CISA
Provincial Auditor
Regina, Saskatchewan
September 29, 2023

SASKATCHEWAN POLYTECHNIC

Statement of Financial Position

As at June 30, 2023

(in thousands of dollars)

| | Note | 2023 | 2022 |
|---|------|------------------|------------------|
| Financial assets | | | |
| Cash and cash equivalents | 3 | \$ 101,178 | \$ 87,925 |
| Accounts receivable | 4 | 5,513 | 8,292 |
| Inventories for resale | 5 | 2,613 | 2,742 |
| Portfolio investments | 6 | 4,589 | 4,268 |
| | | 113,893 | 103,227 |
| Financial liabilities | | | |
| Accounts payable and accrued liabilities | | 6,388 | 16,472 |
| Salaries and benefits payable | | 15,532 | 15,209 |
| Obligation under capital leases | 7 | 612 | 1,278 |
| Employee future benefits | 8 | 2,310 | 2,306 |
| Debt | 10 | - | 544 |
| Deferred revenue | 11 | 68,382 | 60,992 |
| | | 93,224 | 96,801 |
| Net financial assets | | 20,669 | 6,426 |
| Non-financial assets | | | |
| Tangible capital assets | 12 | 64,556 | 62,036 |
| Prepaid expenses | | 4,606 | 5,895 |
| | | 69,162 | 67,931 |
| Accumulated surplus | 13 | \$ 89,831 | \$ 74,357 |
| Contractual rights | 14 | | |
| Contractual obligations and contingencies | 15 | | |

Approved on behalf of the Board:

Mitchell J. Holash, K.C., Board Chair

Mark Cooper, Audit and Risk Committee Chair

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

SASKATCHEWAN POLYTECHNIC

Statement of Operations

For the year ended June 30, 2023
(in thousands of dollars)

| | Budget (Note 19) | 2023 | 2022 |
|---|---------------------|------------------|------------------|
| Revenue | | | |
| Grants and contractual services: | | | |
| Government of Saskatchewan | \$ 188,735 | \$ 209,249 | \$ 206,882 |
| Government of Canada | 6,407 | 7,945 | 9,292 |
| Other governments | 128 | 1,158 | 1,964 |
| Non-government | 2,446 | 5,511 | 3,987 |
| Tuition and fees | 77,377 | 77,697 | 62,144 |
| Sales | 10,330 | 9,359 | 7,531 |
| Donations (Note 16) | 3,343 | 2,621 | 1,529 |
| Investment income | 500 | 4,229 | 743 |
| Other income | 457 | 695 | 471 |
| | 289,723 | 318,464 | 294,543 |
| Expense (Note 17) | | | |
| Academic programs | 184,482 | 190,471 | 177,262 |
| Administration | 50,107 | 51,070 | 49,456 |
| Facilities | 36,353 | 36,479 | 36,194 |
| Student services | 17,851 | 16,730 | 14,831 |
| Ancillary | 8,751 | 8,240 | 7,584 |
| | 297,544 | 302,990 | 285,327 |
| Annual surplus (deficit) | (7,821) | 15,474 | 9,216 |
| Accumulated surplus, beginning of year | 74,357 | 74,357 | 65,141 |
| Accumulated surplus, end of year (Note 13) | \$ 66,536 | \$ 89,831 | \$ 74,357 |

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

SASKATCHEWAN POLYTECHNIC

Statement of Change in Net Financial Assets

For the year ended June 30, 2023
(in thousands of dollars)

| | Budget (Note 19) | 2023 | 2022 |
|--|---------------------|-----------|-----------|
| Net financial assets, beginning of year | \$ 6,426 | \$ 6,426 | \$ 10,125 |
| Changes during the year: | | | |
| Annual surplus (deficit) | (7,821) | 15,474 | 9,216 |
| Acquisition of tangible capital assets (Note 12) | (3,990) | (13,979) | (19,633) |
| Tangible capital asset donations received (Note 12) | - | (424) | (82) |
| Proceeds on disposition of tangible capital assets | - | 21 | 18 |
| Gain on disposition of tangible capital assets (Note 17) | - | (6) | (8) |
| Amortization of tangible capital assets (Note 12 & 17) | 10,846 | 11,868 | 10,520 |
| Decrease (increase) in prepaid expenses, net | - | 1,289 | (3,730) |
| | (965) | 14,243 | (3,699) |
| Net financial assets, end of year | \$ 5,461 | \$ 20,669 | \$ 6,426 |

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

SASKATCHEWAN POLYTECHNIC

Statement of Cash Flows

For the year ended June 30, 2023
(in thousands of dollars)

| | Note | 2023 | 2022 |
|---|---------|-------------------|------------------|
| Operating transactions | | | |
| Annual surplus | | \$ 15,474 | \$ 9,216 |
| Items not affecting cash: | | | |
| Amortization of tangible capital assets | 12 & 17 | 11,868 | 10,520 |
| Tangible capital asset donations received | 12 | (424) | (82) |
| Gain on disposition of tangible capital assets | 17 | (6) | (8) |
| Unrealized loss (gain) on portfolio investments | | (326) | 568 |
| Increase (decrease) in employee future benefits liability | | 4 | (165) |
| Net increase in non-cash operating balances | 18 | 1,826 | 26,835 |
| | | 28,416 | 46,884 |
| Capital transactions | | | |
| Acquisition of tangible capital assets | 12 | (13,979) | (19,633) |
| Proceeds on disposition of tangible capital assets | | 21 | 18 |
| | | (13,958) | (19,615) |
| Investing transactions | | | |
| Acquisition of portfolio investments | | (5,108) | (1,042) |
| Proceeds on disposition of portfolio investments | | 5,113 | 1,039 |
| | | 5 | (3) |
| Financing transactions | | | |
| Decrease in capital lease obligation | | (666) | (470) |
| Debt repayments | | (544) | (104) |
| | | (1,210) | (574) |
| Net increase in cash and cash equivalents | | 13,253 | 26,692 |
| Cash and cash equivalents, beginning of year | | 87,925 | 61,233 |
| Cash and cash equivalents, end of year | 3 | \$ 101,178 | \$ 87,925 |

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

1. Authority and purpose

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

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

2. Summary of significant accounting policies

a. Basis of accounting

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

b. Revenue recognition

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

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

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

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

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

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

b. Revenue recognition (continued)

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

c. Financial instruments

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

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

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

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

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

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

d. Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of 120 days or less when purchased.

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

e. Inventories for resale

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

f. Employee future benefits

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

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

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

g. Tangible capital assets

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

Assets under capital leases are recorded at the present value of the minimum lease payments excluding executor costs. The discount rate used to determine the present value of the lease payments is the lower of the Polytechnic's rate for incremental borrowing or the interest rate implicit in the lease. A schedule of future payments, including interest, is presented in Note 7.

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

| | |
|--|---------------|
| Buildings | 40 years |
| Leasehold improvements: | |
| Properties owned by the Government of Saskatchewan | 15 years |
| Other properties | Lease term |
| Furniture and equipment | 5 to 10 years |
| Computers and software | 2 to 5 years |
| Library | 5 years |

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

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

g. Tangible capital assets (continued)

Works of art which have cultural, aesthetic or historical value are not included in tangible capital assets because a reasonable estimate of the future benefits cannot be made. Information on works of art held by the Polytechnic is disclosed in Note 12.

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

h. Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring such estimates relate to the determination of useful lives of tangible capital assets for amortization, the assumptions underlying the calculation of employee future benefits and provisions for contingencies. Actual results may ultimately differ from these estimates.

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

i. Future accounting changes

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

In November 2020, the PSAB issued PSG-8, *Purchased Intangibles*. This accounting guideline is effective for fiscal years beginning on or after April 1, 2023, and early adoption is permitted. The new guideline explains the scope of the intangibles allowed to be recognized in financial statements.

In April 2021, the PSAB issued PS 3160, *Public Private Partnerships*. This accounting guideline is effective for fiscal years beginning on or after April 1, 2023, and early adoption is permitted. This accounting standard establishes standards for the recognition, measurement, presentation and disclosure of infrastructure procured through certain types of public private partnership arrangements.

The Polytechnic has not yet adopted these standards and guidelines but does not anticipate any significant changes as a result.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

3. Cash and cash equivalents

| | 2023 | 2022 |
|------------------|-------------------|------------------|
| Cash | \$ 85,398 | \$ 72,789 |
| Cash equivalents | 15,780 | 15,136 |
| | \$ 101,178 | \$ 87,925 |

4. Accounts receivable

| | 2023 | 2022 |
|--------------------------------------|-----------------|-----------------|
| Non-government | \$ 3,065 | \$ 2,136 |
| Federal government | 1,322 | 5,133 |
| Provincial government | 479 | 446 |
| Student | 1,005 | 998 |
| Other | 108 | 133 |
| Less provision for doubtful accounts | (466) | (554) |
| | \$ 5,513 | \$ 8,292 |

5. Inventories for resale

| | 2023 | 2022 |
|---------------------------|-----------------|-----------------|
| Bookstores | \$ 2,379 | \$ 2,579 |
| Food services | 98 | 81 |
| Shop and service supplies | 136 | 82 |
| | \$ 2,613 | \$ 2,742 |

The cost of inventory sold and recognized as an expense during 2023 was \$5,657 (2022 – \$5,231) and includes inventory write-downs of \$29 (2022 – \$60). There were no reversals of write-downs of inventory made in prior periods. As of June 30, 2023, there was no inventory pledged as security for liabilities.

6. Portfolio investments

Portfolio investments consist of bond and equity mutual funds, and individual equities. The portfolio is entirely funded from long-term gifts with the related investment income externally restricted for the provision of student scholarships. Information on deferred donation revenue is included in Note 11.

| | 2023 | 2022 |
|----------------------------------|-----------------|-----------------|
| Equities and equity mutual funds | \$ 2,817 | \$ 2,657 |
| Bonds and bond mutual funds | 1,772 | 1,611 |
| | \$ 4,589 | \$ 4,268 |

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

6. Portfolio investments (continued)

The portfolio investments had a return of 8.93% in 2023 (2022 – loss of 9.95%).

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, 2023 and 2022.

7. Obligation under capital leases

| | 2023 | 2022 |
|----------------------------|----------|----------|
| Balance, beginning of year | \$ 1,278 | \$ 1,748 |
| Additions during the year | 45 | - |
| Lease payments | (711) | (470) |
| | \$ 612 | \$ 1,278 |

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

| | |
|---|--------|
| 2024 | \$ 268 |
| 2025 | 216 |
| 2026 | 161 |
| 2027 | 10 |
| 2028 | 5 |
| Less amount representing interest | (48) |
| Present value of minimum lease payments | \$ 612 |

Interest rates on the leases range from 2.34% to 5.34% (2022 – 2.34% to 6.92%). Interest expensed during the year amounted to \$51 (2022 – \$75). The minimum lease payment value includes amounts for residual guarantees at the conclusion of lease terms.

8. Employee future benefits

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

8. Employee future benefits (continued)

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

| | 2023 | 2022 |
|---|----------------|----------------|
| Actuarial valuation date | April 30, 2021 | April 30, 2021 |
| Extrapolation date | June 30, 2023 | June 30, 2022 |
| Significant long-term assumptions used: | | |
| Salary escalation (excluding step increases) | 2.00% | 2.00% |
| Discount rate | 5.10% | 4.70% |
| Estimated average remaining service life | 9 years | 9 years |
| Liability for employee future benefits: | | |
| Accrued benefit obligation, beginning of year | \$ 2,188 | \$ 2,857 |
| Current period benefit cost | 162 | 205 |
| Interest cost | 104 | 61 |
| Benefit payments | (285) | (508) |
| Actuarial gain | (56) | (427) |
| Accrued benefit obligation, end of year | 2,113 | 2,188 |
| Unamortized net actuarial gain | 197 | 118 |
| Liability for employee future benefits | \$ 2,310 | \$ 2,306 |
| Employee future benefits expense: | | |
| Current service cost | \$ 162 | \$ 205 |
| Interest cost on benefits | 104 | 62 |
| Amortization of net actuarial gain | 23 | 76 |
| Total employee future benefits expense | \$ 289 | \$ 343 |

9. Pension plans

Saskatchewan Polytechnic employees participate in various multi-employer defined benefit and defined contribution pension plans. These plans are administered by the Ministry of Finance. Employer contributions of \$12,131 (2022 - \$11,174) were expensed during the year. Employer obligations associated with the defined benefit plans are the responsibility of the General Revenue Fund of the Government of Saskatchewan.

10. Debt

| | 2023 | 2022 |
|--|------|--------|
| RBC revolving bankers' acceptance loan | \$ - | \$ 544 |

The credit facility utilizing revolving bankers' acceptance ("BA") loans was extinguished during the year. Interest expense on the BAs for the year was \$18 (2022 - \$8).

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

10. Debt (continued)

The Polytechnic has access to a revolving line of credit with RBC up to a limit of \$10,000. Interest is charged on these borrowings at the RBC prime rate less 0.45%. Interest expense for the year on the line of credit debt was nil (2022 – nil).

11. Deferred revenue

| | Opening balance | Receipts during year | Recognized as revenue | Ending balance 2023 |
|----------------------------------|--------------------|-------------------------|--------------------------|---------------------------|
| Grants and contractual services: | | | | |
| Government of Saskatchewan | \$ - | \$ 209,249 | \$ (209,249) | \$ - |
| Government of Canada | - | 7,945 | (7,945) | - |
| Other governments | - | 1,158 | (1,158) | - |
| Non-government | 411 | 5,517 | (5,511) | 417 |
| Tuition and fees | 48,096 | 80,419 | (77,697) | 50,818 |
| Donations | 12,485 | 7,283 | (2,621) | 17,147 |
| | \$ 60,992 | \$ 311,571 | \$ (304,181) | \$ 68,382 |

Deferred revenue balances relate to the following:

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

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

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

12. Tangible capital assets

| | Land | Buildings | Leasehold improvements | Furniture & equipment | Computers & software | Library | 2023 |
|---------------------------|----------|-----------|------------------------|-----------------------|----------------------|----------|------------|
| Cost: | | | | | | | |
| Opening balance | \$ 6,212 | \$ 9,549 | \$ 86,450 | \$ 87,518 | \$ 25,639 | \$ 7,245 | \$ 222,613 |
| Additions | - | 2,290 | 3,128 | 3,932 | 4,999 | 54 | 14,403 |
| Disposals | - | - | - | (1,544) | (1,951) | - | (3,495) |
| Closing balance | 6,212 | 11,839 | 89,578 | 89,906 | 28,687 | 7,299 | 233,521 |
| Accumulated amortization: | | | | | | | |
| Opening balance | - | 3,771 | 58,372 | 71,706 | 19,830 | 6,898 | 160,577 |
| Amortization | - | 316 | 4,212 | 4,091 | 3,107 | 142 | 11,868 |
| Disposals | - | - | - | (1,532) | (1,948) | - | (3,480) |
| Closing balance | - | 4,087 | 62,584 | 74,265 | 20,989 | 7,040 | 168,965 |
| Net book value | \$ 6,212 | \$ 7,752 | \$ 26,994 | \$ 15,641 | \$ 7,698 | \$ 259 | \$ 64,556 |

| | Land | Buildings | Leasehold improvements | Furniture & equipment | Computers & software | Library | 2022 |
|---------------------------|----------|-----------|------------------------|-----------------------|----------------------|----------|------------|
| Cost: | | | | | | | |
| Opening balance | \$ 6,212 | \$ 9,549 | \$ 74,575 | \$ 82,957 | \$ 25,042 | \$ 7,146 | \$ 205,481 |
| Additions | - | - | 11,875 | 5,614 | 2,127 | 99 | 19,715 |
| Disposals | - | - | - | (1,053) | (1,530) | - | (2,583) |
| Closing balance | 6,212 | 9,549 | 86,450 | 87,518 | 25,639 | 7,245 | 222,613 |
| Accumulated amortization: | | | | | | | |
| Opening balance | - | 3,457 | 54,604 | 68,737 | 19,114 | 6,718 | 152,630 |
| Amortization | - | 314 | 3,768 | 4,019 | 2,239 | 180 | 10,520 |
| Disposals | - | - | - | (1,050) | (1,523) | - | (2,573) |
| Closing balance | - | 3,771 | 58,372 | 71,706 | 19,830 | 6,898 | 160,577 |
| Net book value | \$ 6,212 | \$ 5,778 | \$ 28,078 | \$ 15,812 | \$ 5,809 | \$ 347 | \$ 62,036 |

At June 30, 2023, the tangible capital asset balance included capital assets under development of \$4,124 (2022 – \$684). Of this amount, \$2,125 represents development costs incurred for a proposed new Saskatoon campus.

At June 30, 2023, the tangible capital asset balance included equipment under capital leases with a cost of \$1,201 (2022 – \$2,570) and accumulated amortization of \$485 (2022 – \$1,218).

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 \$424 (2022 – \$82).

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

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

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

13. Accumulated surplus

a. Composition of accumulated surplus

| | 2023 | 2022 |
|---------------------------------------|-----------|-----------|
| Investment in tangible capital assets | \$ 63,944 | \$ 60,214 |
| Student housing reserve | 803 | 811 |
| Restricted government transfers | 15,688 | 6,622 |
| Unfunded employee future benefits | (2,310) | (2,306) |
| Designated assets | 1,450 | - |
| Unrestricted operating surplus | 10,256 | 9,016 |
| Accumulated surplus | \$ 89,831 | \$ 74,357 |

On June 22, 2023, the Board of Directors designated \$1,450 of the accumulated surplus to be utilized for high-priority capital requirements.

b. Investment in tangible capital assets

| | 2023 | 2022 |
|---------------------------------------|-----------|-----------|
| Tangible capital assets | \$ 64,556 | \$ 62,036 |
| Obligation under capital leases | (612) | (1,278) |
| Debt | - | (544) |
| Investment in tangible capital assets | \$ 63,944 | \$ 60,214 |

c. Restricted government transfers

| | 2023 | 2022 |
|---------------------------------|-----------|----------|
| Government of Saskatchewan: | | |
| Capital projects | \$ 8,227 | \$ 611 |
| Academic initiatives | 2,575 | 1,108 |
| Applied research | 446 | 761 |
| Scholarships | 1,487 | 69 |
| Government of Canada: | | |
| Academic initiatives | 435 | 142 |
| Applied research | 2,236 | 2,233 |
| Other governments: | | |
| Academic initiatives | 282 | 1,698 |
| Restricted government transfers | \$ 15,688 | \$ 6,622 |

d. Change in unrestricted operating surplus

| | 2023 | 2022 |
|---|-----------|----------|
| Unrestricted operating surplus, beginning of year | \$ 9,016 | \$ 6,102 |
| Annual surplus | 15,474 | 9,216 |
| Increase in investment in tangible capital assets | (3,730) | (9,759) |
| Increase in designated assets | (1,450) | - |
| Decrease (increase) in student housing reserve | 8 | (40) |
| Increase (decrease) in employee future benefits liability | 4 | (165) |
| Decrease (increase) in restricted government transfers | (9,066) | 3,662 |
| Unrestricted operating surplus, end of year | \$ 10,256 | \$ 9,016 |

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

14. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Polytechnic has the following significant contractual rights:

| | | 2024 | 2025 | Thereafter | Total |
|----------------|---|-----------|----------|------------|-----------|
| Provincial | Apprenticeship training | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| Federal | Language instruction services | 4,150 | 3,133 | - | 7,283 |
| Federal | Promote opportunities in skilled trades | 607 | 635 | 369 | 1,611 |
| Federal | Applied research | 620 | 475 | 660 | 1,755 |
| Federal | Training through Corrections Canada | 673 | 340 | - | 1,013 |
| Federal | Service Contracts | 513 | - | - | 513 |
| Non-government | Service contracts | 2,270 | - | - | 2,270 |
| | | \$ 23,833 | \$ 4,583 | \$ 1,029 | \$ 29,445 |

15. Contractual obligations and contingent liabilities

a. Operating leases

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

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

| | Facilities | Equipment & services | Total |
|------|------------|-------------------------|-----------|
| 2024 | \$ 33,168 | \$ 2,755 | \$ 35,923 |
| 2025 | 33,831 | 2,544 | 36,375 |
| 2026 | 34,507 | 1,921 | 36,428 |
| 2027 | 35,198 | 1,111 | 36,309 |
| 2028 | 35,902 | 25 | 35,927 |

b. Capital projects

The estimated cost to complete major capital projects in progress at June 30, 2023 is approximately \$1,716 (2022 – \$1,452). This amount does not include any costs related to the proposed new Saskatoon campus.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

15. Contractual obligations and contingent liabilities (continued)

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, 2023, an amount of \$1,143 (2022 - \$1,163) has been accrued in salaries and benefits payable for claims related to two grievances filed by the Saskatchewan Polytechnic Faculty Association that management has determined meet the criteria for recording a liability under PSAS 3300, *Contingent Liabilities*. The amounts accrued are based on management's best estimate of future settlements. The ultimate settlement of these claims may be materially different than the amounts accrued and any difference will be recorded in the period in which the claims are resolved.

16. Gifts

In 2020, the Polytechnic entered into a multi-year gift agreement to receive a donation in the amount of \$5,000 from the Joseph Alfred Remail Foundation ("the Donor"). In recognition of the gift, the former School of Construction has been renamed the Joseph A. Remail School of Construction at Saskatchewan Polytechnic. The gift has been provided by the Donor to support the Polytechnic's efforts towards the development of a new campus to replace its multiple location campus in Saskatoon. At June 30, 2023, \$5,000 (2022 - \$4,000) of the gift has been received.

17. Expense by object

| | Budget 2023 | 2023 | 2022 |
|---------------------------------------|-------------|------------|------------|
| Salaries and benefits (Notes 8 and 9) | \$ 202,785 | \$ 208,810 | \$ 194,191 |
| Facilities | 34,573 | 34,590 | 34,080 |
| Operational supplies and expenses | 36,003 | 33,698 | 36,044 |
| Cost of goods sold | 5,676 | 5,657 | 5,231 |
| Amortization (Note 12) | 10,846 | 11,868 | 10,520 |
| Travel and professional development | 4,272 | 4,820 | 2,303 |
| Equipment rental and repairs | 1,851 | 1,608 | 1,371 |
| Scholarships and awards | 1,538 | 1,945 | 1,595 |
| Gain on disposition of capital assets | - | (6) | (8) |
| | \$ 297,544 | \$ 302,990 | \$ 285,327 |

18. Net change in non-cash operating balances

| | 2023 | 2022 |
|--|----------|------------|
| Accounts receivable | \$ 2,779 | \$ (2,247) |
| Inventories for resale | 129 | 278 |
| Accounts payable and accrued liabilities | (10,084) | 10,011 |
| Salaries and benefits payable | 323 | 334 |
| Deferred revenue | 7,390 | 22,189 |
| Prepaid expenses | 1,289 | (3,730) |
| | \$ 1,826 | \$ 26,835 |

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

19. Budgeted figures

Budgeted figures have been provided for comparison purposes and reflect the 2022-25 Multi-Year Business Plan, approved by the Board of Directors on April 29, 2022. The budget for 2024 was approved by the Board of Directors on April 28, 2023 as part of the 2023-26 Multi-Year Business Plan.

20. Financial instrument risk

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

a. Credit risk

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

Credit risk related to other financial instruments is not significant. Other receivables are primarily due from governments. The cash balance represents deposits with Canadian chartered banks and credit unions.

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 any debt carried by the Polytechnic during the year. The impact of changes in interest rates is mitigated by the relatively small percentage of financial assets with fixed interest rates and the contribution of investment income to the Polytechnic's overall revenue. The exposure to interest rate risk related to debt is mitigated by its relatively small size and its small size as compared to the cash and cash equivalents balance.

d. Liquidity risk

Liquidity risk is the risk that the Polytechnic will not be able to meet a demand for cash or fund its obligations as they come due. The Polytechnic manages its liquidity risk by holding assets that can be readily converted into cash and preparing annual operating and capital budgets that are monitored and updated as necessary. A revolving line of credit (Note 10) is also available to provide additional funds to meet short-term current and forecasted financial requirements.

SASKATCHEWAN POLYTECHNIC

Notes to the Financial Statements

For the year ended June 30, 2023

(in thousands of dollars)

21. Related parties

These financial statements include transactions with related parties. The Polytechnic is related to all Saskatchewan Crown corporations, ministries, boards, and commissions under the common control of the Government of Saskatchewan. The Polytechnic is also related to non-Crown enterprises subject to the shared control of the Government of Saskatchewan. Related parties of the Polytechnic also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

During the year, grant and contractual services revenue of \$209,249 (2022 – \$206,882) 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:

| | 2023 | 2022 |
|--|--------|--------|
| Accounts receivable | \$ 479 | \$ 446 |
| Accounts payable and accrued liabilities | 1,518 | 7,127 |
| Acquisition of tangible capital assets | 2,725 | 12,315 |
| Non-grant and contractual services revenue | 1,932 | 2,110 |
| Expenses | 37,675 | 37,561 |

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

22. Comparative figures

Certain 2022 figures on the Statement of Operations have been reclassified to conform to the presentation adopted in the 2023 financial statements.

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