

Saskatchewan Irrigation Projects Association Inc.

Financial Statements
(Unaudited)
August 31, 2022



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Independent Practitioner's Review Engagement Report

To the Directors of Saskatchewan Irrigation Projects Association Inc.

We have reviewed the accompanying financial statements of Saskatchewan Irrigation Projects Association Inc. that comprise the balance sheet as at August 31, 2022, and the statements of changes in fund balances, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Saskatchewan Irrigation Projects Association Inc. as at August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.

Saskatoon, Saskatchewan
February 10, 2023

Saskatchewan Irrigation Projects Association Inc.

Balance Sheet

(Unaudited)

As at August 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash (note 3)	17,200	57,080
Term investments (note 3)	191,532	85,000
Accounts receivable	12,338	8,115
	<u>221,070</u>	<u>151,095</u>
Tangible capital assets	902	-
Total assets	<u>221,972</u>	<u>150,195</u>
Liabilities and Fund Balances		
Current liabilities		
Accounts payable	22,519	22,867
Deferred contributions (note 3)	114,255	68,276
	<u>136,774</u>	<u>91,143</u>
Fund balances		
Unrestricted funds	84,296	59,052
Invested in tangible capital assets	902	-
	<u>85,198</u>	<u>59,052</u>
Total liabilities and fund balances	<u>221,972</u>	<u>150,195</u>

Approved by the Board of Directors

_____ Director _____ Director

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

Saskatchewan Irrigation Projects Association Inc.

Statement of Changes in Fund Balances

(Unaudited)

For the year ended August 31, 2022

	2022 \$	2021 \$
Balance – Beginning of year	59,052	43,109
Excess of revenue over expenses	25,244	15,943
Balance – End of year	<u>84,296</u>	<u>59,052</u>

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

Saskatchewan Irrigation Projects Association Inc.

Statement of Operations

(Unaudited)

For the year ended August 31, 2022

	2022 \$	2021 \$
Revenue		
Grants (note 3)	138,807	108,907
Membership fees		
Irrigator	46,154	35,739
Associate	6,031	1,463
Conference		
Sponsors	23,657	2,819
Registration	16,394	-
Events and sponsorships	7,572	-
Interest and other income	392	437
	<u>239,007</u>	<u>149,365</u>
Expenses (note 5)		
Salaries and wages	83,687	5,500
Consultants	39,156	96,547
Board of directors	25,773	13,964
Annual conference	24,505	5,926
Meals and travel	13,613	-
Public relations and promotion	12,709	1,415
Accommodations	4,468	-
Administration	3,764	1,578
Professional fees	2,628	4,764
Rent	2,286	-
Meetings	871	3,527
Interest and bank charges	303	201
	<u>213,763</u>	<u>133,422</u>
Excess of revenue over expenses	<u>25,244</u>	<u>15,943</u>

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

Saskatchewan Irrigation Projects Association Inc.

Statement of Cash Flows

(Unaudited)

For the year ended August 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	25,244	15,943
Changes in non-cash working capital balances		
Accounts receivable	(4,223)	(6,945)
Accounts payable	(348)	(26,154)
Deferred contributions	45,979	(26,636)
	<hr/> 66,652	<hr/> (43,792)
Investing activities		
Purchase of term investments	<hr/> (106,532)	<hr/> (85,000)
Net change in cash	(39,880)	(128,792)
Cash – Beginning of year	<hr/> 57,080	<hr/> 185,872
Cash – End of year	<hr/> <hr/> 17,200	<hr/> <hr/> 57,080

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

Saskatchewan Irrigation Projects Association Inc.

Notes to Financial Statements

(Unaudited)

August 31, 2022

1 Purpose of the organization

The Saskatchewan Irrigation Projects Association Inc. (SIPA) is a non-profit organization whose mandate is to provide support, promotion, and education services for irrigation projects within the province of Saskatchewan. It comprises of an elected Board of Directors to oversee projects and is incorporated under the Non-Profit Corporations Act, 1995. It is exempt from taxes under the Income Tax Act as a non-profit organization.

2 Accounting policies

The financial statements have been prepared in accordance with CPA Handbook – Accounting Part III, Accounting Standards for Not-For-Profit Organizations (ASNPO) and reflect the following significant policies:

Accrual accounting

Assets, liabilities, income and expenses are recorded using the accrual basis of accounting.

Cash and term investments

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date. Term investments consist of deposits with maturity dates of 365 days or less. At August 31, 2022, term investments consist of deposits with maturity dates ranging from March 29, 2023 to August 17, 2023 and earning interest at rates ranging from 1.25% to 3.34%.

Revenue recognition

SIPA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or if the amount can be reasonably estimated and collection is reasonably assured. Memberships are voluntary and are determined based on irrigated acres in regions.

Estimates

The preparation of financial statements is in accordance with ASNPO and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

3 Deferred contributions

- a) Resolution has been made by SIPA to contribute \$1,000 per year to the annual field day and that any funds not used will be carried forward and used to fund subsequent field days. Any accumulated profit is reflected in deferred contributions, to be recognized when the funds are spent on future field days. The amount of deferred revenue related to field days at August 31, 2022 is \$6,532 (2021 – \$6,526).

Saskatchewan Irrigation Projects Association Inc.

Notes to Financial Statements

(Unaudited)

August 31, 2022

- b) During the year ended August 31, 2022, SIPA received a grant of \$21,000 from the Water Security Agency. If the grant is not utilized in accordance with the terms of the grant agreement or required reports are not provided, SIPA may be required to repay a portion of the grant.

Revenue recognized from this funding source during the year ended August 31, 2022 is \$10,500 (2021 – nil) based on the progress of the related project and deferred contributions from this funding source at August 31, 2022 are \$10,500 (2021 – nil).

- c) During the year ended August 31, 2021, SIPA signed a five-year agreement with the Ministry of Agriculture and the Water Security Agency to receive funding in an amount not to exceed \$575,000. SIPA is required to undertake certain activities outlined in the agreement on an annual basis, and upon approval of the annual report, due in July of each year, SIPA will be eligible to receive the next annual funding instalment. The payment schedule proposed in the agreement is \$150,000 upon signing, \$150,000 in June 2022, \$125,000 in June 2023, \$100,000 in June 2024, and \$50,000 in June 2025.

Revenue recognized from this funding source during the year ended August 31, 2022 is \$115,226 (2021 - \$13,250) based on expenditures incurred and deferred contributions from this funding source at August 31, 2022 are \$96,524 (2021 - \$61,750).

4 Financial instruments

Financial instruments include cash, accounts receivable, accounts payable and deferred contributions. Financial instruments are initially recognized at fair value and subsequent measurement is at amortized cost. SIPA does not consider itself to have significant exposure to interest rate risk, currency risk, credit risk, liquidity risk, market risk or other price risk arising from these financial instruments.

5 Related party transactions

During the year ended August 31, 2022, members of SIPA's Board of Directors received payments for per diems and expenses of \$36,760 (2021 – \$16,274). All related party transactions are measured at exchange amounts, which is the consideration established and agreed to by the parties.