Saskatchewan Irrigation Projects Association Inc.

Financial Statements
(Unaudited)
August 31, 2021

pwc

December 6, 2021

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, 2021 and the statement of changes in fund balances, statement of operations, and statement of cash flows for the year then ended, and the related notes, which comprise 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, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Saskatchewan Irrigation Projects Association Inc.

Balance Sheet

(Unaudited)

As at August 31, 2021

	2021 $	2020 $
Assets		
Current assets		
Cash (note 3)	57,080	185,872
Term investments (note 3)	85,000	-
Accounts receivable	8,115	1,170
Total assets	150,195	187,042
Liabilities and Fund Balances		
Current liabilities		
Accounts payable	22,867	49,021
Deferred contributions (note 3)	68,276	94,912
	91,143	143,933
Fund balances		
Unrestricted funds	59,052	43,109
Total liabilities and fund balances	150,195	187,042

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, 2021

	2021 $	2020 $
Balance – Beginning of year	43,109	39,699
Excess of revenue over expenses	15,943	3,410
Balance – End of year	59,052	43,109

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, 2021

	2021 $	2020 $
Revenue		
Grants (note 3)	108,907	5,614
Membership fees		
Irrigator	35,739	33,329
Associate	1,463	650
Conference		
Sponsors	2,819	8,071
Registration	-	13,438
Displays	-	1,373
Other income	437	-
	149,365	62,475
Expenses		
Consultants (note 3)	96,547	15,304
Board of director fees (note 5)	13,964	12,798
Annual conference	5,926	18,398
Salaries and wages	5,500	-
Professional fees	4,764	-
Meetings (note 5)	3,527	9,282
Administration	1,578	1,303
Promotion and education materials	1,415	1,631
Interest and bank charges	201	349
	133,422	59,065
Excess of revenue over expenses	15,943	3,410

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, 2021

	2021 $	2020 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	15,943	3,410
Changes in non-cash working capital balances		
Accounts receivable	(6,945)	417
Accounts payable	(26,154)	26,290
Deferred contributions	(26,636)	89,386
	(43,792)	119,503
Investing activities		
Purchase of term investments	(85,000)	-
Net change in cash	(128,792)	119,503
Cash – Beginning of year	185,872	66,369
Cash – End of year	57,080	185,872

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

Saskatchewan Irrigation Projects Association Inc.

Notes to Financial Statements
(Unaudited)
August 31, 2021

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, 2021, term investments consist of deposits of $45,000 (maturing August 31, 2022 and earning interest at a rate of 0.55%) and $40,000 (maturing June 4, 2022 and earning interest at a rate of 0.50%).

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. Cash of $6,526 (2020 – $5,457) is being held in a reserve bank account.

b) During the year ended August 31, 2020, SIPA received a grant of $95,000 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. During the year ended August 31, 2021, project consultant fees of $71,596 (2020 – $6,804) were incurred. No further costs remain to be incurred and all remaining portion of the deferred grant ($89,386) has been recognized as revenue during the year ended August 31, 2021.

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.

During the year ended August 31, 2021, a first payment of $75,000 was received from the Water Security Agency and project consultant fees of $13,250 were incurred. Revenue recognized during the year ended August 31, 2021 is $13,250, deferred contributions related to the project are $61,750 and funds of $61,750 are being held in a project account and term investments.

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, 2021, members of SIPA's Board of Directors received payments for per diems and expenses of $16,274 (2020 – $22,080). All related party transactions are measured at exchange amounts, which is the consideration established and agreed to by the parties.