SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

Review Engagement Report

Financial Statements

August 31, 2023

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

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CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, CPA, CA*
Tyler Olafson, CPA, CA*
Jared Udchic, CPA*
Dylan Peace, CPA*
*denotes professional corporation

REVIEW ENGAGEMENT REPORT

To the members of **Saskatchewan Irrigation Projects Association Inc.**

We have reviewed the accompanying financial statements of **Saskatchewan Irrigation Projects Association Inc.** that comprise the statement of financial position as at **August 31, 2023**, and the statement of operations and net assets and statement of 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 standards.

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, 2023**, 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.

Other matters

The financial statements for Saskatchewan Irrigation Projects Association Inc. for the year ended August 31, 2022 were reviewed by another practitioner who expressed an unmodified conclusion on February 10, 2023.

Jensen Stromberg

Saskatoon, Saskatchewan
November 30, 2023

Chartered Professional Accountants

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

August 31, 2023
with comparative figures for 2022

	2023	2022 (Restated - Note 3)
ASSETS		
Current assets:		
Cash	$ 103,198	17,200
Short term investments	144,330	191,532
Accounts receivable	135,097	31,630
GST receivable	5,608	-
Prepaid expenses	8,250	-
Total current assets	396,483	240,362
Capital assets	-	902
	$ 396,483	241,264
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ -	22,519
GST/HST Payable	6,420	-
Prepaid deposits - conference sponsorship	11,000	-
Payroll deductions payable	2,604	-
Deferred revenue (Note 5)	138,017	107,724
	158,041	130,243
Net assets:		
CSIDC Field Day	5,019	6,531
Unrestricted	233,423	104,490
Total net assets	238,442	111,021
	$ 396,483	241,264

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes to the financial information.

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

STATEMENT OF OPERATIONS AND NET ASSETS

Year ended August 31, 2023
with comparative figures for 2022

	2023	2022 (Restated-Note 3)
Revenue:		
Associate membership	$ 11,036	6,031
Agriculture Awareness Initiative Program	17,770	-
Conference income	110,572	42,623
Executive Director Grants	159,206	138,807
Interest on term deposits	6,222	392
Irrigator membership	77,833	65,446
Operational sponsorship	7,270	5,000
Potential Water Development Project	1,255	-
Pilot Project	10,500	-
Miscellaneous	5,608	-
	407,272	258,299
Operating expenses:		
Advertising and promotion	22,607	12,709
Conference expenses	56,851	24,505
Directors fees (Note 5)	35,897	37,154
Interest and bank charges	1,380	303
Memberships and licenses	2,280	-
Other operating expenses	3,188	-
Office expenses	18,301	3,764
Professional fees	20,396	41,784
Rental	4,802	2,286
Salaries and wages	105,883	83,687
Travel expenses	6,754	7,571
	278,339	213,763
Excess of revenues over expenditures	128,933	44,536
Net assets, beginning of year	104,490	59,954
Net assets, end of year	233,423	104,490
Internal restricted fund	5,019	6,531
Total net assets	$ 238,442	111,021

See accompanying notes to the financial information.

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

STATEMENT OF CASH FLOWS

Year ended August 31, 2023
with comparative figures for 2022

	2023	2022 (Restated - Note 3)
Operating activities:		
Excess of revenues over expenditures	$ 128,933	44,536
Item not involving an outlay of cash:		
Loss on disposal of capital assets	902	-
	129,835	44,536
Changes in non-cash working capital:		
Accounts receivable	(103,468)	(23,515)
GST receivable	(5,608)	-
Prepaid expenses	(8,250)	-
Accounts payable and accrued liabilities	(5,098)	(348)
Payroll deduction payable	2,604	-
Interfund transfers	(1,512)	6,531
Deferred revenue	30,293	39,448
	38,796	66,652
Investing activities:		
Short term investments	47,202	(106,532)
Increase (decrease) in cash during the year	85,998	(39,880)
Cash position, beginning of year	17,200	57,080
Cash position, end of year	$ 103,198	17,200

Cash position is comprised of cash in bank less outstanding cheques.

See accompanying notes to the financial information.

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

NOTES TO THE FINANCIAL INFORMATION

August 31, 2023

1. NATURE 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 is comprised 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

(a) 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 receivable if amount to be received can be reasonably estimated and collection is reasonably assured. Donations, memberships and other revenue are recognized when it is earned and collection is reasonably assured.

(b) Donated materials and services

SIPA benefits from the donation of time and services from members and volunteers. The value of contributed volunteer time is not reflected in these financial statements since such efforts are not generally susceptible to reasonable objective measurement or valuation.

(c) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(d) Financial instruments

Financial instruments, including cash, short term investments, accounts receivable, accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

3. CORRECTION OF AN ERROR

During the year, management identified an error relating to 2022 receivables not being recorded, resulting in an error to 2022 income. This error has been corrected retrospectively, resulting in the following changes to the comparative figures:

- 2023 opening surplus was increased by $19,292,
- 2022 accounts receivables increased by $19,292,
- 2022 irrigator membership revenue increased by $19,292,
- 2022 excess of revenues over expenditures increased by $19,292.

4. RELATED PARTY TRANSACTIONS

During the year ended August 31, 2023, members of SIPA's Board of Directors received payments for per diems and expenses of $35,897 (2022 – $37,154). All related party transactions are measured at exchange amounts, which is the consideration established and agreed to by the parties.

5. DEFERRED REVENUE

Deferred revenue consists of funds received for specific projects where the intended purpose of these contributions had not yet been fulfilled.

	2022	Funding Received (Repaid)	Recognized as Income	2023
Agriculture Awareness Initiative Program	$ -	17,770	(17,770)	-
Executive Director Grant	96,524	200,000	(158,507)	138,017
Pilot project	10,500	-	(10,500)	-
	$ 107,024	217,770	(186,777)	138,017

6. FINANCIAL INSTRUMENTS

Risks and concentrations

SIPA is exposed to various risks through its financial instruments. The following analysis provides a measure of SIPA's risk exposure and concentrations at August 31, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. SIPA is exposed to this risk mainly in respect of its accounts payable and payroll deduction payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets on the statement of financial position represent SIPA's maximum exposure at the financial statement date. The credit risk on cash is limited because the counterpart is a financial institution with high credit rating assigned by national credit-rating agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. SIPA is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of the organization will fluctuate due to changes in market interest rates. SIPA is exposed to interest rate risk on its investments.

7. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.