Annual Report
2023-24

Ministry of Agriculture
Irrigation Crop Diversification Corporation

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Saskatchewan

Letters of Transmittal

The Honourable David Marit
Minister of Agriculture

July 29, 2024

His Honour, the Honourable Russ Mirasty,
Lieutenant Governor of Saskatchewan

May it please Your Honour:

As the minister of Saskatchewan Agriculture, it is my pleasure to submit the annual report for the Irrigation Crop Diversification Corporation for the year ending March 31, 2024.

Respectfully submitted,

David Marit
Minister of Agriculture

Jeff Ewen
Co-chairperson

July 29, 2024

The Honourable David Marit
Minister of Agriculture

Dear Minister:

I wish to present to you the annual report of the Irrigation Crop Diversification Corporation for the 12 months ending March 31, 2024.

Respectfully submitted,

Jeff Ewen
Co-chairperson

Mandate and Purposes of ICDC – *The Irrigation Act, 2019*

The mandates and purposes of the Irrigation Crop Diversification Corporation (ICDC) are:

- To research, demonstrate and promote to producers and irrigation districts profitable and sustainable agronomic practices for irrigated crops;
- To develop or assist in developing varieties of crops suitable for irrigated conditions;
- To provide access to property and facilities and technical support to researchers to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation and to provide information respecting that research to district consumers, irrigation districts, intensive irrigators, other prescribed persons and the public; and,
- To co-operate with the minister in promoting and developing sustainable irrigation in Saskatchewan.

Board of Directors

The following served as Directors of ICDC in 2023-24:

Name	Position	Irrigation District	Development Area Represented
Jeff Ewen	Co-chairperson	Riverhurst ID	LDDA
Kirsten Oram	Director	Non-District	LDDA
Miles Heck	Director	Non-District	SWDA
Elmer Palmer	Director	Consul-Nashlyn ID	SWDA
Grant Pederson	Director	SSRID #1	LDDA
Stephanie Boyle	Director	Non-District	LDDA
David Bagshaw	Director	Luck Lake ID	LDDA
Matthew Lawless	Director	SSRID #1	LDDA
Aaron Gray	Co-chairperson	Non-District	SEDA
Dianna Emperingham	Director		Ministry rep.
Kelly Farden	Director		Ministry rep.

The four development areas are: Northern Development Area (NDA), South Western Development Area (SWDA), South Eastern Development Area (SEDA) and Lake Diefenbaker Development Area (LDDA), as defined in ICDC's bylaws.

Directors are elected by delegates in attendance at the annual meeting. Each irrigation district is entitled to send one ICDC delegate per 5,000 irrigated acres or part thereof. Three directors are elected from LDDA, two from SWDA and one from NDA and SEDA. Intensive Irrigators/ Prescribed Persons (Non-district Irrigators) elect two representatives.

The Saskatchewan Ministry of Agriculture appoints two directors to the ICDC board. The ICDC board must, by law, have irrigators in the majority.

2023-24 Highlights

The membership of both ICDC and the Saskatchewan Irrigation Projects Association (SIPA) voted to ratify the agreement for amalgamation at their respective annual general meetings held on December 6th, 2023. As of April 1st, 2024 the two organizations have come together to form Irrigation Saskatchewan. The organization is still legally considered to be ICDC within *The Irrigation Act, 2019*. Irrigation Saskatchewan will continue to maintain a strong field research and demonstration program but will now include a new focus of policy and advocacy as well.

ICDC's 2023-24 field research program included:

- **Field Crops** – Varietal assessment trials of seven different crops. Canola and flax seeding date and rate trials. N fertilizer trials for corn and oats. Humic acid trials. Cereal crop fungicide trials. Dry bean fertility and tillage management trials. Hemp seeding date trials. Irrigated mustard trials. Fertigation trials.
- **Horticulture Crops** – Cauliflower and broccoli varietal trials. Garlic agronomy trials. Apple scoinwood and dwarf apple rootstock productivity and disease resistance. Sour cherry blind wood management. Cantelope trials. Pumpkin trials.
- **Forage Crops** – Varietal assessment for forage seed production. Barely silage underseeded with ryegrass.
- **Pulse Crops** – Dry bean fertility and tillage management trials. Faba bean agronomy to enhance yield, hasten maturity and reduce disease. Faba bean fungicide trials. Lupin demonstration trial. Novel pulse crop demonstration. Pea fungicide trials.
- **Technology Transfer** – ICDC published its annual Research and Demonstration Report, Crop Varieties for Irrigation, Irrigation Agronomics and Economics and The Irrigator (spring and fall editions). Partnered in hosting the CSIDC Field Day with over 250 attendees. The Annual Irrigation Conference and ICDC AGM was held in Saskatoon on December 4, 5 and 6 with over 200 participants.

IRRIGATION CROP DIVERSIFICATION CORP

FINANCIAL STATEMENTS

MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of Irrigation Crop Diversification Corp have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Irrigation Crop Diversification Corp's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors have reviewed and approved these financial statements.

The financial statements have been audited on behalf of the members by Virtus Group Chartered Professional Accountants & Business Advisors LLP, in accordance with Canadian generally accepted auditing standards.

Brenda Joyes, Executive Administrator

Outlook, SK

INDEPENDENT AUDITOR'S REPORT

Irrigation Crop Diversification Corp

Opinion

We have audited the financial statements of Irrigation Crop Diversification Corp (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 report. We are independent of the Organization in accordance with 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.

Information other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the information other than the financial statements and auditors' report thereon. The information other than the financial statements and auditors' report thereon comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Organization'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 these 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.
- 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 Organization'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 Organization'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 Organization 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.

We 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.

June 28, 2024
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

VIRTUS GROUP

IRRIGATION CROP DIVERSIFICATION CORP
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	$ 440,820	$ 358,827
Investments *(Note 4)*	261,687	-
Accounts receivable *(Note 5)*	333,767	190,384
Prepaid expenses	2,071	1,992
	1,038,345	551,203
Investments *(Note 4)*	-	255,313
Tangible capital assets *(Note 6)*	681,468	365,350
	$ 1,719,813	$ 1,171,866
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 50,383	$ 26,854
Government remittances payable	3,291	41
Deferred contributions *(Note 7)*	60,930	2,000
Current portion of long-term debt *(Note 8)*	-	40,000
	114,604	68,895
Deferred capital contributions *(Note 9)*	270,000	-
	384,604	68,895
NET ASSETS		
Unrestricted net assets	560,296	402,037
Invested in tangible capital assets	411,468	365,349
Internally restricted net assets *(Note 10)*	363,445	335,585
	1,335,209	1,102,971
	$ 1,719,813	$ 1,171,866

Commitments *(Note 14)*

Subsequent event *(Note 15)*

Significant event *(Note 16)*

See accompanying notes to the financial statements

IRRIGATION CROP DIVERSIFICATION CORP
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	Unrestricted	Invested in Capital Assets	Internally Restricted	2024	2023
Balance - Beginning of year	$ 402,037	$ 365,349	$ 335,585	$ 1,102,971	$ 1,093,062
Excess of revenue over expenses	232,238	-	-	232,238	9,909
Amortization of tangible capital assets	117,900	(117,900)	-	-	-
Purchase of tangible capital assets	(434,019)	434,019	-	-	-
Amortization of deferred capital contributions *(Note 9)*	(30,000)	30,000	-	-	-
Proceeds from deferred capital contributions *(Note 9)*	300,000	(300,000)	-	-	-
Transfer to internally restricted net assets *(Note 10)*	(27,860)	-	27,860	-	-
Balance - End of year	$ 560,296	$ 411,468	$ 363,445	$ 1,335,209	$ 1,102,971

IRRIGATION CROP DIVERSIFICATION CORP
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
Revenue		
Member levies	$ 258,359	$ 219,389
Refunds	(3,499)	(1,122)
Net member levies	254,860	218,267
Project funding and research contracts *(Note 11)*	522,761	403,994
Operating grants	205,000	75,000
Grain sales	40,146	44,209
Interest	14,414	8,489
Miscellaneous	12,462	10,002
Amortization of deferred capital contribution *(Note 9)*	30,000	-
	824,783	541,694
	1,079,643	759,961
Expenses		
Advertising and promotion	4,250	1,142
Amortization	117,900	86,296
Bad debts (recovery)	(6,171)	15,487
Dues and memberships	343	-
Equipment	1,954	3,969
Insurance	13,172	10,478
Interest and bank charges	542	1,377
Office and utilities	34,949	33,722
Professional fees	30,832	14,657
Rental - office space and land	26,256	27,006
Repairs and maintenance	7,626	6,698
Research projects	81,377	65,090
SSRID levies	4,593	3,691
Salaries and wages	476,978	456,769
Subcontracts	27,330	9,098
Supplies	874	2,377
Telephone	4,336	4,276
Travel and meetings	20,264	7,919
	847,405	750,052
Excess of revenue over expenses	$ 232,238	$ 9,909

IRRIGATION CROP DIVERSIFICATION CORP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses	$ 232,238	$ 9,909
Items not affecting cash:		
Amortization of tangible capital assets	117,900	86,296
Amortization of deferred capital contributions	(30,000)	-
	320,138	96,205
Changes in non-cash working capital *(Note 13)*	(57,752)	(134,791)
Cash flows from operating activities	262,386	(38,586)
Cash flows from investing activities		
Additions to investments	(6,374)	(255,313)
Additions to tangible capital assets	(434,019)	(58,072)
Cash flows from investing activities	(440,393)	(313,385)
Cash flows from financing activities		
Proceeds from deferred capital contributions	300,000	-
Repayment of long term debt	(40,000)	-
Cash flows from financing activities	260,000	-
Increase (decrease) in cash	81,993	(351,971)
Cash - beginning of year	358,827	710,798
Cash - end of year	$ 440,820	$ 358,827

IRRIGATION CROP DIVERSIFICATION CORP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

1. Nature of operations

Irrigation Crop Diversification Corp (the "Organization") was incorporated under The Irrigation Act of 1996 in the province of Saskatchewan and is exempt from taxes under section 149(1)(j) of the Income Tax Act. The mandates and purposes of the Organization are as follows:

i. To research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;

ii. To develop, or assist, in developing varieties of crops suitable for irrigated conditions;

iii. To provide land, facilities, and technical support to researchers in order to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation, and to provide information regarding that research to district consumers, irrigation districts, and the public; and

iv. To co-operate with the minister of Saskatchewan Agriculture in promoting and developing sustainable irrigation in Saskatchewan.

The Organization is a partner of the Canada Saskatchewan Irrigation Diversification Centre (CSIDC) in conducting specific research, the results of which are transmitted to the Organization as well as to the funding entities. Levies assessed on irrigation districts and other irrigated lands are used to fund research as well as the operating costs of the Organization.

2. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. Summary of significant accounting policies

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial assets and financial liabilities are recorded on the balance sheet when the Organization becomes party to the contractual provisions of the financial instrument. The Organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in excess (deficiency) of revenue over expenses. Fair value is the amount at which a financial instrument could be exchanged at arm’s length between willing, unrelated parties in an open market.

The Organization's recognized financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. The fair values of these items approximate their carrying values given the short-term nature of the amounts.

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3. Summary of significant accounting policies *(continued)*

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the diminishing balance basis over the estimated useful life of the assets at the following annual rates, with the exception of one-half of the given rates in the year of purchase:

Computer equipment	30%
Equipment	20%
Fencing	10%
Motor vehicles	30%

Revenue recognition

Member levies are recognized in the period they are earned. Refunds are recognized using the accrual method based on actual requests submitted by irrigation districts.

The Organization follows the deferral method of accounting for contributions, including research contracts, project funding, and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the same period or periods as related expenses are recognized.

Investment income is recognized on an accrual basis.

Contributed materials and services

Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

4. Investments

Investments consists of a guaranteed investment certificate earning interest at 2.55% with a maturity date of May 31, 2024.

5. Accounts receivable

	2024	2023
GST receivable	$ -	$ 930
Member levies	56,451	34,289
Research contracts and operating grants	289,065	182,765
Allowance for doubtful accounts	(11,749)	(27,600)
	$ 333,767	$ 190,384

6. Tangible capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Automotive equipment	$ 89,607	$ 74,138	$ 15,469	$ 22,098
Computer equipment	21,405	15,007	6,398	4,581
Equipment	1,062,014	417,019	644,995	326,179
Fencing	16,410	1,804	14,606	12,492
	$ 1,189,436	$ 507,968	$ 681,468	$ 365,350

7. Deferred contributions

	2024	2023
Saskatchewan Oat Development Commission	$ -	$ 2,000
Ministry of Agriculture	4,432	-
Ministry of Agriculture	24,062	-
Saskatchewan Fruit Growers Association	7,612	-
Saskatchewan Fruit Growers Association	7,612	-
Saskatchewan Fruit Growers Association	7,612	-
South East Research Farm	9,600	-
	$ 60,930	$ 2,000

8. Long-term debt

	2024	2023
Loan payable to Prairie Centre Credit Union with no set terms of repayment and 0% interest. Loan is secured by the Government of Canada through the Canadian Emergency Business Account (CEBA) program. Up to $20,000 of the loan will be forgiven if the remaining amount is repaid by January 18, 2024. The loan was paid in full during the year.	$ -	$ 40,000
Amounts payable within one year	-	(40,000)
	$ -	$ -

9. Deferred capital contributions

During the year, the Organization received $200,000 from the Saskatchewan Wheat Development Commission and $100,000 from the Ministry of Agriculture to assist in the purchase of a combine. The contributions has been deferred and is amortized into income on a consistent basis that the asset cost is amortized as an expense. During the year, $30,000 was recognized as revenue.

10. Internally restricted net assets

Internally restricted net assets consists of a $250,000 (2023 - $250,000) emergency reserve fund to be held in the event of future emergencies and funding shortfalls, $86,765 (2023 - $58,905) for an equipment reserve and $26,680 (2023 - $26,680) as a reserve to assist in paying future amounts due in the event of a member requesting a refund of their member levies. During the year, $27,860 was transferred to internally restricted net assets from unrestricted net assets (2023 - $39,655).

11. Project funding and research contracts

	2024	2023
Government funded	$ 107,763	$ 56,670
Agency contracts	10,500	21,062
Industry cooperators	194,521	72,568
SFP	-	11,800
ADOPT	189,477	132,517
ADF	16,675	104,311
Custom work	3,825	5,066
	$ 522,761	$ 403,994

12. Related party transactions

During the year ended March 31, 2024, members of the Organization's Board of Directors received payments for per diems and expenses of $23,087 (2023 - $9,158). All related party transactions are measured at the exchange amount, which is the consideration established and agreed to by the parties.

13. Changes in non-cash working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	2024	2023
Accounts receivable	$ (143,383)	$ (20,259)
Prepaid expenses	(79)	(7)
Deposits	-	15,320
Accounts payable and accrued liabilities	23,530	(105,064)
Government remittances payable	3,250	(1,781)
Deferred contributions	58,930	(23,000)
	$ (57,752)	$ (134,791)

14. Commitments

On April 1, 2016, the Organization entered into a lease agreement with the Town of Outlook, Saskatchewan for agricultural land. The term of the lease agreement is ten years and future minimum annual lease payments are $1,500 to the end of the term of the lease on March 31, 2026. The lease was amended during the year ended March 31, 2021 to include additional annual rent in the amount of $9,488 per year for a 15-year period.

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14. Commitments *(continued)*

On June 4, 2019, the Organization entered into a License of Occupation agreement for land, office, and laboratory accommodation with Agriculture and Agri-Food Canada (AAFC). The term of the agreement is for five years, commencing on August 1, 2019 and ending on July 31, 2024, with the option to renew at AAFC's sole discretion for an additional five-year period. The remaining minimum future commitments under the agreement are $14,468 per year, up to and including the year ending March 31, 2024 and $4,822 in the year ending March 31, 2025. Annual rent is subject to revision on an annual basis at the discretion of AAFC.

15. Subsequent event

Subsequent to year end, the Organization has secured a funding agreement for $320,000 to be used towards capital assets. At the financial statement date, no significant assets were purchased.

16. Significant event

On April 1, 2024, the Organization and Saskatchewan Irrigation Projects Association (SIPA) amalgamated and will operate as Irrigation Saskatchewan. The objective of the amalgamation is to align efforts to build a strong and sustainable industry for Saskatchewan. The financial effect of the amalgamation on the Organization cannot be estimated at this time.

17. Financial risk management

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

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 Organization is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer or counterpart.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization’s exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Orgnaization’s financial obligations.