SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

Auditor's Report

Financial Statements

March 31, 2024

Jensen Stromberg
CHARTERED PROFESSIONAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the financial statements of **Saskatchewan Irrigation Projects Association Inc.** , which comprise the statement of financial position as at **March 31, 2024** and the statements of operations and changes in net assets and cash flows for the seven month period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Saskatchewan Irrigation Projects Association Inc.** as at **March 31, 2024** and its financial performance and cash flows for the seven month period then ended in accordance with Canadian public sector accounting standards for government 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 **Saskatchewan Irrigation Projects Association Inc.** 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.

Emphasis of Matter

As discussed in Note 2, **Saskatchewan Irrigation Projects Association Inc.** intends to cease operations as of April 1, 2024. Our opinion is not modified with respect to this matter.

Other Matters

The comparative figures for the year ended August 31, 2023 are unaudited, and were subject to a review engagement, of which we expressed an unmodified conclusion on November 20, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility 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 entity'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 entity'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 entity 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.

Saskatoon, Saskatchewan
August 15, 2024

Jensen Stromberg
Chartered Professional Accountants

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

March 31, 2024
with comparative figures for 2023

	March 31, 2024	August 31, 2023
ASSETS		
Current assets:		
Cash	$ 159,699	103,198
Short-term investments (Note 4)	145,786	144,330
Accounts receivable	16,729	135,097
GST receivable	615	5,608
Prepaid expenses	9,217	8,250
	$ 332,046	396,483
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 700	-
GST payable	-	6,420
Prepaid deposits - conference sponsorship	-	11,000
Payroll deductions payable	2,215	2,604
Deferred revenue (Note 5)	88,904	138,017
	91,819	158,041
Net assets:		
CSIDC Field Day	5,245	5,019
Unrestricted	234,982	233,423
Total net assets	240,227	238,442
	$ 332,046	396,483

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 CHANGES IN NET ASSETS

For the seven month period ended March 31, 2024
with comparative figures for the year-end August 31, 2023

	2024	2023
Revenue:		
Associate membership	$ -	11,036
Agriculture Awareness Initiative Program	-	17,770
Conference income	131,680	110,572
Conference sponsorship	11,000	-
Executive Director Grants	49,113	159,206
General grants	34,000	-
Interest on term deposits	2,747	6,222
Irrigator membership	804	77,833
Operational sponsorship	6,000	7,270
Potential Water Development Project	488	1,255
Pilot Project	-	10,500
Miscellaneous	-	5,608
	235,832	407,272
Expenses:		
Advertising and promotion	13,897	22,607
Conference expenses	86,657	56,851
Directors fees (Note 6)	41,052	35,897
Insurance	1,657	-
Interest and bank charges	161	1,380
Memberships and licenses	1,012	2,280
Other operating expenses	1,582	3,188
Office expenses	14,543	18,301
Professional fees	21,147	20,396
Rental	857	4,802
Salaries and wages	49,983	105,883
Travel	1,725	6,754
	234,273	278,339
Excess of revenues over expenditures	1,559	128,933
Net assets, beginning of year	233,423	104,490
Net assets, end of year	234,982	233,423
Internal restricted fund	5,245	5,019
Total net assets	$ 240,227	238,442

See accompanying notes to the financial information.

SASKATCHEWAN IRRIGATION PROJECTS ASSOCIATION INC.

STATEMENT OF CASH FLOWS

For the seven month period ended March 31, 2024
with comparative figures for the year ended August 31, 2023

	2024	2023
Operating activities:		
Excess of revenues over expenditures	$ 1,559	128,933
Item not involving an outlay of cash:		
Loss on disposal of capital assets	-	902
	1,559	129,835
Changes in non-cash working capital:		
Accounts receivable	118,367	(103,468)
GST receivable	4,993	(5,608)
Prepaid expenses	(967)	(8,250)
Accounts payable and accrued liabilities	700	(22,518)
GST payable	(6,420)	6,420
Prepaid deposits - conference sponsorship	(11,000)	11,000
Payroll deduction payable	(389)	2,604
Interfund transfers	227	(1,512)
Deferred revenue	(49,113)	30,293
	57,957	38,796
Investing activities:		
Short-term investments	(1,456)	47,202
Increase in cash during the year	56,501	85,998
Cash position, beginning of year	103,198	17,200
Cash position, end of year	$ 159,699	103,198

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

March 31, 2024

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.

SIPA intends to cease operations as of April 1, 2024.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting applicable to a going concern. However, management has decided to cease operations within the next year. The intent is to have operations transferred to Irrigation Crop Diversification Corporation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations:

(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 conformity with Canadian public sector 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 date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments

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

(e) Capital assets

SIPA has adopted the policy of writing off expenditures for the purchase of capital assets in the year of purchase. Capital assets expensed in 2024 totalled $0 (2023 - $0).

4. SHORT-TERM INVESTMENTS

Short-term investments consists of GICs bearing interest ranging from 3.40% to 3.75% (2023 - 3.40% to 3.85%), maturing between June 2024 and November 2024 (2023 - November 2023 to August 2024).

5. DEFERRED REVENUE

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

	2023	Funding Received (Repaid)	Recognized as Income	2024
Executive Director Grant	$ 138,017	-	(49,113)	88,904

6. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2024, members of SIPA's Board of Directors received payments for per diems and expenses of $41,052 (2023 – $35,897). All related party transactions are measured at exchange amounts, which is the consideration established and agreed to by the parties.

7. 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 March 31, 2024.

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 accrued liabilities, 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.