

# Ministry of Agriculture

## Irrigation Crop Diversification Corporation



## Annual Report for 2018-19



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# Letters of Transmittal



*The Honourable David Marit  
Minister of Agriculture*

June 29, 2019

His Honour, the Honourable W. Thomas Molloy,  
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, 2019.

Respectfully submitted,

A handwritten signature in black ink that reads "David Marit".

David Marit  
Minister of Agriculture



*Anthony Eliason  
Chairman*

June 29, 2019

The Honourable David Marit  
Minister of Agriculture

Sir:

I wish to present to you the annual report of the Irrigation Crop Diversification Corporation for the 12 months ending March 31, 2019.

Respectfully submitted,

A handwritten signature in blue ink that reads "Anthony Eliason".

Anthony Eliason  
Chairman

# Objects and Purposes of ICDC – *The Irrigation Act, 1996*

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

- ⇒ To research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;
- ⇒ To develop and/or assist in developing varieties of crops suitable for irrigated conditions;
- ⇒ To provide land, 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 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 2018-19:

Name	Position	Irrigation District	Development Area Represented	Election Year (#Terms)
Anthony Eliason	Chairman	Individual	LDDA	2021 (2)
David Bagshaw	Director	Luck Lake ID	LDDA	App. (2)
Murray Purcell	Director	Moon Lake ID	NDA	2020 (1)
Paul Heglund	Director	Consul-Nashlyn ID	SWDA	2020 (2)
Greg Oldhaver	Alt. Vice-Chairman	Miry Creek ID	SWDA	App. (1)
Kaitlyn Gifford	Director	SSRID#1	LDDA	2020 (1)
Nigel Oram	Vice-Chairman	Grainland ID	SEDA- At Large	2019 (1)
Aaron Gray	Director	Brownlee ID	SIPA rep.	App.
Larry Lee	Director	MID	SIPA rep.	App.
Penny McCall	Director		Ministry rep.	By Order in Council
Kelly Farden	Director		Ministry rep.	By Order in Council

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

ICDC Directors are elected by district 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. Two directors are elected from LDDA, two from SWDA, and one from NDA and SEDA. Non-district irrigators elect one representative.

The Saskatchewan Irrigation Projects Association (SIPA) and Saskatchewan Ministry of Agriculture appoint two directors each to the ICDC board. The ICDC board must, by law, have irrigators in the majority.

# 2018-19 Highlights

Irrigation Crop Diversification Corporation (ICDC) projects in 2018-19 included:

- ⇒ **Field Crops** — Varietal assessment trials of 10 different crops. Assessment of Contans fungicide to control sclerotinia in irrigated canola. Irrigated corn agronomy trials. Malt vs. feed barley agronomic management. Lentil input study. Control of glyphosate-resistant canola in glyphosate-resistant soybeans.
- ⇒ **Horticulture Crops** — Cultivar assessment for baby carrots and garlic. Assessment of growth regulators on raspberry, strawberry, Saskatoon berry and sour cherry. Demonstration of water and fertility management strategies for haskap production. Comparison of drip vs. overhead irrigation on selected vegetable crops.
- ⇒ **Forage Crops** — Relationship between quality and yield in perennial forages. Practices for cost-effective and successful management in saline forages.
- ⇒ **Nutrient Management** — 4R Nitrogen fertility trials with canola. Field-scale demonstration trial with specialized nitrogen fertility products in irrigated canola. Nitrogen fertility trials with irrigated hybrid fall rye. Increasing wheat protein with post emergent UAN applications.
- ⇒ **South West Irrigation Development Area** — Cover crops on compacted irrigated soils.
- ⇒ **Technology Transfer** — Saskatchewan Ministry of Agriculture and ICDC staff participated in the Canada-Saskatchewan Irrigation Diversification Centre's (CSIDC's) Annual Field Day, a dry bean plot tour, an ICDC Field Plot tour and a specialty crop field day. ICDC published its annual *Research and Demonstration Report*, *Crop Varieties for Irrigation*, *Irrigation Agronomics and Economics*, *Pivot Maintenance Manual* and *The Irrigator* (Spring and Fall editions). Staff also contributed articles to a number of different publications and carried out TV and radio interviews. ICDC and Ministry staff delivered presentations at a number of farmer meetings and field days, including:
  - ⇒ International Commission on Irrigation and Drainage Conference;
  - ⇒ SIPA-ICDC Annual Conference;
  - ⇒ Growing Corn Workshop;
  - ⇒ Irrigation Management Workshop;
  - ⇒ An Agri-ARM Update;
  - ⇒ Crop Diagnostic School; and
  - ⇒ The Corn-Soybean Summit.

More detailed information on ICDC projects is available at: [www.irrigationsaskatchewan.com](http://www.irrigationsaskatchewan.com).

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**Irrigation Crop Diversification Corporation**  
**FINANCIAL STATEMENTS**  
**March 31, 2019**





## *Independent auditor's report*

To the Members of Irrigation Crop Diversification Corporation

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### *Our opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Irrigation Crop Diversification Corporation (the Corporation) as at March 31, 2019 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.

#### **What we have audited**

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2019;
- the statement of changes in net assets for the year then ended;
- the statement of revenue and expenditures for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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### *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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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### *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 Corporation'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 Corporation'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 Corporation 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.

*Signed PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

Saskatoon, Saskatchewan  
June 11, 2019

## Statement of Financial Position

As at March 31, 2019

	2019	2018
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	805,612	633,941
Accounts receivable (note 3)	152,544	90,859
	958,156	724,800
<b>Tangible capital assets</b> (note 4)	84,765	114,319
	1,042,921	839,119
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	3,813	297
Accrued liabilities (note 5)	20,459	18,420
	24,272	18,717
<b>Deferred contributions</b> (note 6)	66,201	33,465
	90,473	52,182
<b>Net assets</b>		
Unrestricted net assets	925,768	760,257
Internally restricted net assets (note 7)	26,680	26,680
	952,448	786,937
	1,042,921	839,119

**Commitments** (note 9)

**Operating lease** (note 10)

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

## Statement of Changes in Net Assets

For the year ended March 31, 2019

			2019	2018
	Unrestricted \$	Internally restricted \$	Total \$	Total \$
<b>Balance – Beginning of year</b>	760,257	26,680	786,937	657,014
Excess of revenue over expenditures	165,511	–	165,511	129,923
<b>Balance – End of year</b>	925,768	26,680	952,448	786,937

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

## Statement of Revenue and Expenditures

For the year ended March 31, 2019

	2019	2018
	\$	
<b>Revenue</b>		
Member levies	109,218	\$ 109,256
Refunds	(733)	(1,466)
	108,485	107,790
Operating grants	225,000	185,000
Research contracts	156,014	170,962
Project funding	141,751	171,840
Interest income	7,651	2,353
Custom work	5,886	720
Capital grant	5,760	7,200
Special events	4,765	5,787
	655,312	651,652
<b>Expenditures</b>		
Salaries and wages	326,755	333,831
Rental	33,625	29,604
Depreciation of tangible capital assets	29,554	30,444
Research projects	26,688	53,441
Office	17,086	18,635
Travel (note 8)	10,008	14,009
Professional fees	8,348	6,172
Equipment	8,214	–
Repairs and maintenance	7,510	6,394
Directors' fees (note 8)	6,395	5,520
Insurance	4,900	6,599

	2019	2018
Meetings and conventions (note 8)	4,035	8,358
Telephone	3,808	4,067
Training	1,145	1,084
Advertising and promotion	1,102	1,436
Supplies	321	670
Interest and bank charges	307	1,465
	489,801	521,729
<b>Excess of revenue over expenditures</b>	165,511	129,923

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

## Statement of Cash Flows

For the year ended March 31, 2019

	2019	2018
	\$	
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	165,511	129,923
Item not affecting cash		
Depreciation of tangible capital assets	29,554	30,444
	195,065	160,367
Changes in non-cash working capital items		
Accounts receivable	(61,685)	37,261
Prepaid expenses	–	745
Accounts payable	3,516	(56,713)
Accrued liabilities	2,039	651
Deferred contributions	32,736	(2,535)
	(23,394)	(20,591)
	171,671	139,776
<b>Investing activities</b>		
Purchase of tangible capital assets	–	(14,805)
<b>Net change in cash</b>	171,671	124,971
<b>Cash – Beginning of year</b>	633,941	508,970
<b>Cash – End of year</b>	805,612	633,941

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



# Notes to the Financial Statements

March 31, 2019

## 1 Nature of operations

- a) The objectives of Irrigation Crop Diversification Corporation ("ICDC" or "the corporation") 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.
- b) ICDC was established under the Irrigation Act of 1996. ICDC is not an agent of the Crown. Membership consists of irrigation districts established throughout the province of Saskatchewan. ICDC is a non-profit organization exempt from Income Tax under section 149(1)(j) of the Income Tax Act.

ICDC is a partner of the Canada Saskatchewan Irrigation Diversification Centre (CSIDC) in conducting specific research, the results of which are transmitted to ICDC 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 corporation.

## 2 Summary of significant accounting policies

### a) Basis of presentation

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### b) Use of estimates

The preparation of financial statements in conformity with ASNPO 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 amount of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

### c) Tangible capital assets

Tangible capital assets are recorded at cost and amortized over their expected useful lives. Tangible capital assets are depreciated at the following rates and methods, with the exception of one-half the given rates in the year of purchase:

Equipment	20% declining balance
Computer equipment	30% declining balance
Motor vehicles	30% declining balance

### d) 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 corporation 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 for expenses of the current period are recognized as revenue in the current period and restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

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 corporation's operations and would otherwise have been purchased.

### e) Financial instruments

Financial assets and financial liabilities, consisting of cash, accounts receivable, accounts payable and accrued liabilities are initially recognized at fair value and subsequent measurement is at amortized cost. The corporation does not consider itself to have significant exposure to credit risk, currency risk, interest rate risk, liquidity risk, market risk or other price risk.

## 3 Accounts receivable

	2019	2018
Research contracts	\$ 145,058	\$ 80,720
Member levies	14,220	18,497
GST receivable	4,158	2,534
Allowance for doubtful accounts	(10,892)	(10,892)
	<b>152,544</b>	<b>90,859</b>

#### 4 Tangible capital assets

	2019		2018	
	Cost	Accumulated depreciation	Net	Net
Equipment	\$ 147,216	\$ 72,406	\$ 74,810	\$ 93,513
Motor vehicles	37,233	30,987	6,246	15,508
Computer equipment	11,657	7,948	3,709	5,298
	196,106	111,341	84,765	114,319

#### 5 Accrued liabilities

At March 31, 2019 the corporation has outstanding government remittances payable for federal and provincial sales taxes and payroll taxes of \$5,029 (2018 – \$5,158). None of these remittances are in arrears.

#### 6 Deferred contributions

	2019	2018
Ministry of Agriculture – ADOPT programs	\$ 43,160	\$ –
Ministry of Agriculture – Capital grants	23,041	28,800
Member levies	–	4,665
	66,201	33,465

#### 7 Internally restricted net assets

The corporation has designated internally restricted net assets of \$26,680 to assist in paying any amounts due in the event of a member requesting a refund of their member levies.

#### 8 Related party transactions

During the year ended March 31, 2019, members of the corporation's Board of Directors received payments for per diems and expenses of \$13,145 (2018 - \$15,191). All related party transactions are measured at the exchange amount, which is the consideration established and agreed to by the parties.

## **9 Commitments**

On October 15, 2016, the corporation entered into a "License of Occupation" agreement for land, office, and laboratory accommodation with Agriculture and Agri-Food Canada. The term of the agreement is for three years, commencing on August 1, 2016 and ending on July 31, 2019. The remaining minimum future commitments under the agreement are \$7,175 for the year ending March 31, 2020.

## **10 Operating lease**

On April 1, 2016, the corporation entered into a lease agreement with the Town of Outlook, Sask., 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.

On April 4, 2018, the corporation leased a truck from Ford Credit. The term of the lease agreement is three years and future minimum annual lease payments are \$7,526 to the end of the term of lease on March 4, 2021.







