

Ministry of Agriculture

Irrigation Crop Diversification Corporation

Annual Report for 2020-21

Table of Contents

Letters of Transmittal 2

Objects and Purposes of ICDC 3

Board of Directors 4

2020-21 Highlights..... 5

Auditor’s Report..... 7

Financial Statements 10

Notes to the Financial Statements..... 15

Letters of Transmittal



*The Honourable David Marit
Minister of Agriculture*

July 29, 2021

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, 2021.

Respectfully submitted,

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

David Marit
Minister of Agriculture



*Anthony Eliason
Chairman*

July 29, 2021

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, 2021.

Respectfully submitted,

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

Anthony Eliason
Chairman

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

The mandate 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 2019-20:

Name	Position	Irrigation District	Development Area Represented	Election Year (#Terms)
Anthony Eliason	Chairman	Individual	LDDA	2021 (2)
Nick Eliason	Director	SSRID#1	LDDA	2022 (1)
Murray Purcell	Director	Moon Lake ID	NDA	2023 (2)
Paul Heglund	Director	Consul-Nashlyn ID	SWDA	App. (1)
Greg Oldhaver	Director	Miry Creek ID	SWDA	App. (2)
Kaitlyn Gifford	Alt. Vice-Chairperson	SSRID#1	LDDA	2023 (2)
Jeff Ewen	Vice-Chairperson	Riverhurst ID	SEDA- At Large	2022 (1)
Aaron Gray	Director	Brownlee ID	SIPA rep.	App.
Larry Lee	Director	MID	SIPA rep.	App.
Dianna Emperingham	Director		Ministry rep.	App.
Kelly Farden	Director		Ministry rep.	App.

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

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.

2020-21 Highlights

The ICDC's projects in 2020-21 included:

- **Field Crops** - Varietal assessment trials of 10 different crops. Comparative assessment of insecticidal seed treatment of canola. Yield and quality comparison of farmer-saved versus certified seed in HRSW. Rotational benefits of annual forages. Defining beneficial management practices for irrigated canola.
- **Horticulture Crops** - Garlic agronomy trials. Apple scionwood and dwarf apple rootstock productivity and disease resistance. Herb and spice specialty crop demonstration.
- **Forage Crops** - Double-cropping winter and spring cereals for silage production. Corn-faba bean intercropping for high-protein silage. Varietal assessment for forage seed production. Irrigated berseem and crimson clover seed production.
- **Nutrient Management** - 4R nitrogen fertility trials with spring wheat and winter wheat. Nitrogen fertility trials with irrigated hybrid fall rye. Increasing wheat protein with post-emergent UAN applications. Fertility management in peas. Fertility management of dry beans. Revisiting fertility recommendations for Saskatchewan: canola and wheat.
- **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). ICDC developed a number of short videos for its You-Tube channel. ICDC provided weekly crop water use updates from its Twitter account and ICDC staff delivered presentations at a number of farmer meetings and field days, including:
 - SIPA-ICDC Annual Conference (virtual);
 - ICDC Field Day (virtual)

Irrigation Crop Diversification Corporation
FINANCIAL STATEMENTS
March 31, 2021



Independent auditor's report

To the Directors of Irrigation Crop Diversification Corporation

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, 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.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2021;
- 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 significant accounting policies and other explanatory information.

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.

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

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

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



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.

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.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
July 12, 2021

Statement of Financial Position

For the year ended March 31, 2021

	2021	2020
Assets		
Current assets		
Cash	\$ 621,935	\$ 808,095
Accounts receivable (note 3)	34,415	142,511
	656,350	950,606
Tangible capital assets (note 4)	391,290	211,899
	1,047,640	1,162,505
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	51,374	3,474
Deferred contributions (note 5)	61,824	76,538
	113,198	80,012
Net assets		
Unrestricted net assets	266,472	861,195
Invested in tangible capital assets	391,290	194,618
Internally restricted net assets (note 6)	276,680	26,680
	934,442	1,082,493
	1,047,640	1,162,505

Commitments (note 8)

Operating lease (note 9)

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

Statement of Changes in Net Assets

For the year ended March 31, 2021

				2021	2020
	Unrestricted \$	Invested in tangible capital assets \$	Internally restricted \$	Total \$	Total \$
Balance – Beginning of year	861,195	194,618	26,680	1,082,493	952,448
Excess (deficiency) of revenue over expenditures	(148,051)	-	-	(148,051)	130,045
Depreciation of tangible capital assets	68,607	(68,607)	-	-	-
Recognition of deferred capital grants	(17,281)	17,281	-	-	-
Purchase of tangible capital assets	(247,998)	247,998	-	-	-
Transfer to internally restricted net assets (note 6)	(250,000)	-	250,000	-	-
Balance – End of year	266,472	391,290	276,680	934,442	1,082,493

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

Statement of Revenue and Expenditures

For the year ended March 31, 2021

	2021	2020
Revenue		
Member levies	\$ 107,702	\$ 108,506
Refunds	(1,255)	(1,008)
	106,447	107,498
Operating grants	119,805	225,000
Research contracts	84,875	178,266
Project funding	93,732	151,114
Capital grants	17,281	20,385
Interest income	3,635	9,869
Custom work	10,415	4,861
Special events	-	-
	436,190	672,493
Expenditures		
Salaries and wages (note 7)	390,998	383,422
Depreciation of tangible capital assets	68,607	32,963
Rental	26,802	27,533
Research projects	21,597	20,360
Office and utilities	29,708	19,970
Insurance	7,924	13,205
Professional fees	14,516	11,715
Travel and meetings (note 7)	1,037	11,053
Equipment	10,879	8,502
Telephone	6,435	4,984
Repairs and maintenance	3,259	4,865
Advertising and promotion	1,710	1,850

	2021	2020
Training	-	1,124
Supplies	399	473
Interest and bank charges	370	429
	584,241	542,448
Excess of revenue over expenditures	(148,051)	130,045

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

Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures	\$ (148,051)	\$ 130,045
Item not affecting cash		
Depreciation of tangible capital assets	68,607	32,963
	<hr/>	<hr/>
	(79,444)	163,008
	<hr/>	<hr/>
Changes in non-cash working capital items		
Accounts receivable	108,096	10,033
Accounts payable and accrued liabilities	47,900	(20,798)
Deferred contributions	(14,714)	10,337
	<hr/>	<hr/>
	61,838	162,580
Investing activities		
Purchase of tangible capital assets	(247,998)	(160,097)
	<hr/>	<hr/>
Change in cash	(186,160)	2,483
Cash – Beginning of year	808,095	805,612
	<hr/>	<hr/>
Cash – End of year	621,935	808,095
	<hr/> <hr/>	<hr/> <hr/>

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

Notes to the Financial Statements

March 31, 2021

1 Nature of operations

The mandates and purposes 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.

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 and accounts payable and accrued liabilities, are initially recognized at fair value and subsequently measured 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

	2021	2020
Research contracts and operating grants	\$ 21,903	\$ 128,723
Member levies	15,441	22,568
GST receivable	9,409	2,141
Allowance for doubtful accounts	(12,338)	(10,921)
	34,415	142,511

4 Tangible capital assets

	2021		2020	
	Cost	Accumulated depreciation	Net	Net
Equipment	\$ 480,883	\$ 157,908	\$ 322,975	\$ 177,577
Motor vehicles	106,191	44,509	61,682	28,656
Computer equipment	17,127	10,494	6,633	5,666
	604,201	212,911	391,290	211,899

5 Deferred contributions

	2021	2020
Ministry of Agriculture – ADOPT programs	\$ 61,824	\$ 59,257
Ministry of Agriculture – Capital grants	-	17,281
Member levies	-	-
	61,824	76,538

6 Internally restricted net assets

The Corporation has designated internally restricted net assets of \$276,680, which includes a transfer of \$250,000 from unrestricted net assets to internally restricted net assets of \$250,000 during the year ended March 31, 2021 (2020 – \$nil). Of the total amount, \$250,000 is an emergency reserve fund to be held in the event of future emergencies and funding shortfalls and \$26,680 is a reserve to assist in paying future amounts due in the event of a member requesting a refund of their member levies.

7 Related party transactions

During the year ended March 31, 2021, members of the Corporation's Board of Directors received payments for per diems and expenses of \$9,731 (2020 – \$12,411). All related party transactions are measured at the exchange amount, which is the consideration established and agreed to by the parties.

8 Commitments

On June 4, 2019, the Corporation entered into a Licence 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.

9 Operating lease

On April 1, 2016, the Corporation 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.

