

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

**Financial Statements
For the year ended
June 30, 2009**

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Merv Culham, Chartered Accountant

AUDITOR'S REPORT

To the Members of
Saskatchewan Forage Seed Development Commission

I have audited the balance sheet of Saskatchewan Forage Seed Development Commission as at June 30, 2009 and the statements of revenue, cumulative surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

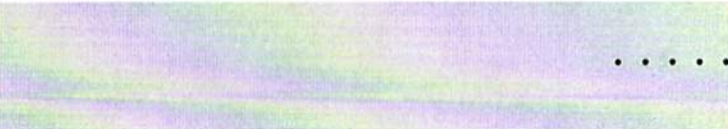
I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Merv Culham



Chartered Accountant
Regina, Saskatchewan
February 22, 2010



Saskatchewan Forage Seed Development Commission
BALANCE SHEET
As at June 30, 2009

| | <u>2009</u> | <u>2008</u> |
|----------------------|-------------|-------------|
| ASSETS | | |
| CURRENT | | |
| Cash | 150,400 | 98,203 |
| Levy receivable | 0 | 16,688 |
| | <hr/> | <hr/> |
| | 150,400 | 114,891 |
| | <hr/> | <hr/> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable | 6,405 | 0 |
| Levy refunds payable | 0 | 1,423 |
| | <hr/> | <hr/> |
| | 6,405 | 1,423 |
| SURPLUS | | |
| SURPLUS | | |
| Unappropriated | 143,995 | 113,468 |
| | <hr/> | <hr/> |
| | 150,400 | 114,891 |
| | <hr/> | <hr/> |

Approved on behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements.

Saskatchewan Forage Seed Development Commission
STATEMENT OF REVENUE AND CUMULATIVE SURPLUS
 For the year ended June 30, 2009

| | 2009 Budget | 2009 Actual | 2008 Actual |
|---|----------------|----------------|----------------|
| REVENUE | | | |
| Levy funds collected | 35,800 | 39,093 | 58,215 |
| Less levy refund requests | 0 | (850) | (1,308) |
| | <u>35,800</u> | <u>38,243</u> | <u>56,907</u> |
| Investment income | 0 | 0 | 58 |
| | <u>35,800</u> | <u>38,243</u> | <u>56,965</u> |
| EXPENDITURE | | | |
| Administration | 3,500 | 3,300 | 4,174 |
| Annual general meeting | 0 | 955 | 550 |
| Bank charges | 0 | 10 | 0 |
| Database management | 2,000 | 202 | 2,185 |
| Directors' expense | 3,000 | 0 | 937 |
| Newsletter | 0 | 1,692 | 0 |
| Postage | 0 | 37 | 57 |
| Professional fees | 1,500 | 1,100 | 1,100 |
| Travel | 0 | 420 | 1,242 |
| Research | | | |
| Weed control in grasses | 4,000 | 0 | 5,640 |
| Weed control in legumes | 4,000 | 0 | 0 |
| Fertility trials in grasses | 25,000 | 0 | 0 |
| Other | 0 | 0 | 25 |
| | <u>43,000</u> | <u>7,716</u> | <u>15,910</u> |
| SURPLUS (DEFICIT) FOR THE YEAR | (7,200) | 30,527 | 41,055 |
| UNAPPROPRIATED SURPLUS BEGINNING OF YEAR | | 113,468 | 72,413 |
| UNAPPROPRIATED SURPLUS END OF YEAR | | 143,995 | 113,468 |

See accompanying notes to the financial statements.

Saskatchewan Forage Seed Development Commission
STATEMENT OF CASH FLOWS
For the year ended June 30, 2009

| | <u>2009</u> | <u>2008</u> |
|--|----------------|---------------|
| CASH PROVIDED BY (USED BY) THE FOLLOWING ACTIVITIES | | |
| OPERATIONS | | |
| Surplus (deficit) for the year | 30,527 | 41,055 |
| Net change in non-cash working capital balances | | |
| Accounts receivable | 16,688 | 4,509 |
| Accounts payable | 6,405 | (1,381) |
| Levy refunds payable | (1,423) | (3,073) |
| Research payable | 0 | (11,260) |
| Increase (decrease) in cash during the year | 52,197 | 29,840 |
| CASH BEGINNING OF THE YEAR | 98,203 | 68,363 |
| CASH END OF THE YEAR | 150,400 | 98,203 |

During the year, the organization had cash flows arising from interest and income taxes paid as follows:

| | | |
|-------------------|----|---|
| Bank charges paid | 10 | 0 |
| Income taxes paid | 0 | 0 |

See accompanying notes to the financial statements.

Saskatchewan Forage Seed Development Commission

NOTES

For the year ended June 30, 2009

1. Accounting policies

Saskatchewan Forage Seed Development Commission operates to promote and enhance the forage seed industry in Saskatchewan for maximum return to producers through research, leadership and communication in the industry.

The carrying amount of cash and term deposits - approximates their fair market value due to the short term maturities of these items.

The company does not have a significant credit exposure to any individual customer or counterpart.

Levy funds are recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated. Other revenues are recorded as earned.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

The budgeted figures are presented for comparison purposes as prepared and approved by the Board, reclassified to conform to the current financial statement presentation. They have not been audited or reviewed.

2. Incorporation statute

Saskatchewan Forage seed Development Commission is a non-profit organization incorporated under the Agri-Foods Act, 2004 of Saskatchewan. Under present legislation, no income taxes are paid on the reported income of such operations.

Saskatchewan Forage Seed Development Commission
EXPENDITURE BY OBJECT
For the year ended June 30, 2009

| | <u>2009</u> | <u>2008</u> |
|-------------------------------|--------------|---------------|
| Personal | | |
| Archie Campbell | 0 | 784 |
| Art Westerlund | 202 | 2,185 |
| Hope Floats Services | 6,404 | 4,095 |
| Payees under \$1,500 | 0 | 0 |
| | <u>6,606</u> | <u>7,064</u> |
| Suppliers | | |
| Levy refunds | 850 | 1,308 |
| Merv Culham, CA | 1,100 | 1,100 |
| Payees under \$1,500 | 10 | 2,106 |
| | <u>1,960</u> | <u>4,514</u> |
| Research | | |
| Western Applied Research Corp | 0 | 5,640 |
| Payees under \$1,500 | 0 | 0 |
| | <u>0</u> | <u>5,640</u> |
| | <u>8,566</u> | <u>17,218</u> |