



**Saskatchewan Forage Seed Development Commission
Annual Report
July 1, 2012 to June 30, 2013**

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Chairman's Report – David Maxwell
December 5, 2013

Hello fellow forage growers,

Hopefully your harvest went well and your yields were good. I have heard of some great red clover yields as well as some of the grasses. May the markets and prices be as good.

On your behalf, the Commission contracted the Northeast Agricultural Research Foundation (NARF) to start research projects at the Melfort Research Farm this year. We hope this will be an ongoing arrangement that will generate some significant results that you can use on your farm. We intend to continue to fund off station work as well.

The Commission is always looking for good research projects that will advance our industry. We spend your money on projects that will benefit your farm, so please contact our office or any of our Directors to let us know what research needs you have and provide us with advice for future projects.

We joined the new Saskatchewan Forage Network this year. The goal is to increase research in forage seed by linking with other forage organizations such as Sask Milk and the Saskatchewan Cattlemen's Association to gain clout and influence with funding organizations. We have already seen some positive results with the announcement of the new Forage Crop Breeder position at the U of S.

I hope you were able to attend the field day at the Melfort Research Farm in July. The Commission joined as part of the NARF field day to be able to talk to forage growers and many non-forage growers about our crops. The attendance was excellent and we plan to do this again. We will also have field days that focus on forage seed research in the future, so watch for them.

The Saskatchewan Agri-Food Council is the organization that governs Commissions. As always, we rely on them to keep us on the straight and narrow and following Provincial policy requirements.

I want to thank the Board of Directors for their time and dedication to the forage seed industry. I have been the Chairman of the Commission for four years and it is a great help to be able to work with this capable group of Directors. Our Executive Director, Ray McVicar keeps us organized and I certainly appreciate his experience at that position.

In 2014, we will see four of our Directors' terms expire. I want to encourage any levy payer who is interested in advancing our industry through the efforts of the Commission to consider letting your name stand as Director. Our nominating committee consists of Nels Smelland and myself. Please contact one of us or any of the Directors if you have questions about the activities of the Board and are interested in joining us.

Your Chairman, *David S. Maxwell*

Saskatchewan Forage Seed Development Commission (SFSDC)

Executive Director Report for 2012-2013

Ray McVicar - December 5, 2013

I want to thank the Board of Directors and the levy payers of the Commission for the opportunity to be your Executive Director.

The 2012-2013 fiscal year saw a decrease in both the levy contributed to the SFSDC and the number of levy payers. Higher prices for canola and wheat continued to pressure forage seed acres and the early winter of 2012 negatively impacted harvest for some red clover seed growers. Many forage seed prices improved this year and inventory of most species is low, so we believe the industry is on the move upward.

REVENUE	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Levy funds collected	\$38,458	\$46,318	\$34,854	\$42,543	\$39,093
Less levy refund	(\$2,521)	\$64*	(\$365)	(\$768)	(\$850)
Levy Total	\$35,937	\$46,382	\$34,489	\$41,775	\$38,243
Producers contributing levy	154	175	138	149	229

* levy refunds of (\$230.81) - \$294.81 adjustment from 2010-2011

The summary of the 2012-2013 forage seed deliveries and levy is provided in the accompanying table. Red clover continues to be our largest crop, followed by timothy, crested wheatgrass, birdsfoot trefoil and others.

CROP KIND	Weight (kg)	Total Value (\$)	Levy (\$)
Alsike Clover	48,013	\$128,555	\$964
Birdsfoot Trefoil	80,691	\$550,559	\$4,129
Cicer Milkvech	10,417	\$34,447	\$258
Red Clover	772,627	\$1,278,680	\$9,590
Sweet Clover	161,436	\$230,451	\$1,729
Annual Ryegrass	125,893	\$71,538	\$536
Crested Wheatgrass	188,653	\$580,546	\$4,354
Hybrid Bromegrass	106,452	\$386,504	\$2,898
Intermediate Wheatgrass	7,653	\$33,742	\$253
Meadow Bromegrass	4,105	\$17,742	\$110
Perennial Ryegrass	127,782	\$149,977	\$1,124
Red Top	7,257	\$65,591	\$491
Reed Canarygrass	2,106	\$5,495	\$41
Slender Wheatgrass	161,679	\$399,184	\$2,918
Smooth Bromegrass	2,323	\$8,097	\$60
Tall Fescue	39,203	\$43,200	\$324
Timothy	624,951	\$1,156,274	\$8,672
Totals	2,471,241	\$5,140,589	\$38,458

Thank you to our levy payers and the forage seed buyers who continue to contribute their money, support and time to the Commission.

The Commission is focussed on research that will enhance economic returns for our growers. A number of research projects were completed in 2012-2013 including the ADOPT projects: 1) Fertilizing Forage Grasses for Seed Production; and 2) Fungicides for Use in Forage Seed Grasses. Thank you to

Saskatchewan Ministry of Agriculture for their support. SFSDC also completed its research project on Bromegrass Seed Midge Control in the Carrot River area during the 2012 growing season. The reports for these projects are available on our website.

In 2013, we started a new program with the Northeast Agricultural Research Foundation (NARF) located at the Agriculture and Agri-Food Canada Research Farm at Melfort SK. Plans are in place to continue the program in 2014 with funds from the Saskatchewan Agriculture ADOPT program. The 2013 program with NARF included two projects:

1) Establish 10 forage seed crops to carry out herbicide tolerance tests in 2013 and to provide space on established crops in the future. The crops planted were: perennial ryegrass, timothy, hybrid bromegrass, tall fescue, slender wheatgrass, alsike clover, red clover, sweet clover, birdsfoot trefoil and cicor milkvetch. BASF Canada generously provided a financial contribution to the project. Herbicides were provided by BASF Canada, Dow AgroSciences, Bayer CropScience and Nufarm Agriculture. Seed was generously provided by Pickseed Canada.

2) Copper fertilizer was applied in strip trials on established grass seed crops in the Choiceland, White Fox, and Nipawin SK areas. A more in-depth project on copper fertility could be developed in the future if the strip trials show a positive yield response.

Last year, the SFSDC provided \$4,000 for the start of the fertility project "Improving Nitrogen Use Efficiency in Forage Seed Production" led by Dr. Fran Walley at the University of Saskatchewan. The second year report is included in our Fall 2013 Newsletter.

We continued to partner with the University of Alberta by providing \$1,000 again this year to their research on "Pheromone-Mediated Mating Disruption for red clover casebearer." The second year report can also be found in our Fall 2013 SFSDC Newsletter.

By joining the Saskatchewan Forage Network in 2012, SFSDC plans to work toward increased research on forage seed crops. We have pledged \$5,000 per year for three years, and the Network has pledged a total of \$43,000 per year, towards Masters or Post-Doctorate student projects on forage research to start in 2014.

We have been active in posting updates and new resource links on our website, so please check it out at: www.skforageseeddc.com

The SFSDC Board of Directors held five board meetings or conference calls during the 2012-2013 year as well as the grower information session held in Nipawin, SK on December 5, 2012. We held a Board planning session in February 2013 to set priorities and focus our activities for the next few years. Our summer field day was held at Carrot River in July 2012. Despite some very wet weather, we were able to get into a few fields and had a tour of the AG-Vision Seeds Ltd. cleaning facilities. Thank you to our speakers for the day and AG-Vision Seeds for their kind hospitality!

Prairie Seeds Newsletter is an important method for the Commission to communicate with levy payers, buyers and researchers. Two editions were published during the 2012-2013 year and past editions are on our website. The Commission also provided copies of the Manitoba Forage Seed Association *Forage Seed News* to current levy payers to help keep up on issues in the forage seed industry throughout the Prairies.

Again, thank you for supporting the Commission. All the best in 2014!

Ray McVicar, Executive Director, SFSDC

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Saskatchewan Forage Seed Development Commission 2012-2013 Annual General Meeting

Thursday, December 5, 2013

Chair: David Maxwell

AGENDA

- 1. Call to Order**
- 2. Agenda**
 - **Approval of the Agenda**
- 3. Minutes of the 2011-2012 Annual Meeting – Ray McVicar**
 - **Approval of the Minutes of the 2011-2012 Annual Meeting**
 - **Business Arising from the Minutes**
- 4. Reports**
 - **Chairman Report – David Maxwell**
 - **Executive Director Report – Ray McVicar**
 - **2012-2013 Audited Financial Report – Ray McVicar**
 - **Planned Programs and Activities for 2013-2014**
 - **2013-2014 Budget – Marcel Enns**
 - **Approval of the Reports**
- 5. New Business**
 - **Appointment of Auditor for 2013-2014**
- 6. Other Business**
- 7. Adjourn**



**Saskatchewan Forage Seed Development Commission 2012-2013 Annual General Meeting
December 5, 2013 Nipawin, Saskatchewan**

MINUTES

Chairman: David Maxwell

Recording: Ray McVicar

1. Meeting called to Order at 3:09 PM

2. Agenda

- Moved by Roger Kirk, seconded by Marcel Enns to approve the agenda. Carried.

3. Minutes of the 2011-2012 Annual General Meeting were reviewed by Ray McVicar

- Moved by Bruce Coulman, seconded by Wyatt Kirk that the minutes of the 2011-2012 Annual General Meeting be accepted. Carried.
- Business Arising from the minutes – None

4. Reports

Chairman Report – David Maxwell

- Contracted Northeast Agricultural Research Foundation (NARF) at Melfort to establish 10 forage seed crops and carry out herbicide tolerance and copper fertility research
- Joined the Saskatchewan Forage Network to increase forage seed research capacity in Saskatchewan
- Kevin France, Al Foster and Leanne Thompson joined the Board
- Four of our Directors will have their terms expire at the end of 2014

Executive Director Report

- Levy decreased to \$38,458 and number of levy payers declined to 154
- Research projects completed were: Fertilizing Forage Grasses for Seed Production, Fungicides for Use in Forage Seed Grasses, and Bromegrass Seed Midge Control
- Research at NARF was initiated for herbicide tolerance on 10 forage seed crops and copper fertility on established forage seed crops
- Research projects were continued on: Nitrogen Use Efficiency with University of Sask., and Red Clover Casebearer (\$1,000 contribution) at University of Alberta
- Pledged \$5,000 per year for three years to the Saskatchewan Forage Network for research projects on forage crops
- Five Board meetings or conference calls were held during 2012-2013
- Summer Field Day was held in Carrot River in July 2012
- Grower Information Session was held in Nipawin on December 5, 2012
- Two editions of Prairie Seeds Newsletter were published

List of Planned Programs and Activities for 2013-2014 was distributed and reviewed

2012-2013 Financial Report – Audited Report was distributed and reviewed by Ray McVicar

2013-2014 Budget was distributed and reviewed by Marcel Enns

- Moved by James Staffen, seconded by Bill Rusk that all Reports be accepted. Carried.

5. New Business

- Moved by Bill Rusk, seconded by Wyatt Kirk to appoint Bob Milton, Milton & Associates, Regina, SK as Auditor for 2013-2014. Carried.

6. Other Business

- Cuts to CFIA inspectors for certified forage seed is concerning to growers and buyers
- Lack of specific crop insurance for red clover seed crops is a concern to growers

7. Moved by Bruce Coulman to adjourn the Annual General Meeting at 3:43 PM. Carried.

Saskatchewan Forage Seed Development Commission

Budget 2013 / 2014

For the Period July 1, 2013 to June 30, 2014

	2013/14
INCOME	<u>Budget</u>
Estimated levy income	\$35,000
Estimated levy refunds	-\$1,500
Estimated other income	
Research - Revenue refunded	\$0
Research Revenues	\$2,500
Research ADOPT - establish NARF	\$4,320
ADOPT - fertility	\$4,000
ADOPT - weed control NARF	\$4,000
Interest	\$2,500
Other Revenue	
Industry Org Dev Fund	\$1,500
Total Income	\$52,320
EXPENDITURES	
Administration	\$11,000
Directors & Officers Liability Insurance	\$1,100
Director Meetings	\$500
Promotion / Advertising	\$1,000
Annual General Meeting	\$1,500
Bank Charges	\$150
Database Management	\$1,200
Director Expenses	\$3,500
Website Maintenance	\$1,000
Newsletter (2)	\$1,500
Postage / Freight	\$200
Auditor	\$1,500
eNews / Forage Seed News	\$4,300
GST Paid	\$1,500
Subtotal:	\$29,950

**Saskatchewan Forage Seed Development Commission
Budget 2013 / 2014**

For the Period July 1, 2013 to June 30, 2014

	<u>2013/14</u> <u>Budget</u>
Research	
Weed Control in Grasses NARF	\$4,250
Weed Control in Legumes NARF	\$5,750
Red Clover Cases Bearer	\$1,000
Fertility in Grasses NARF (copper)	\$200
Grass establishment NARF	\$2,700
Legume establishment NARF	\$2,700
Fertility Research	\$5,000
Other Research	
SK Forage Network	\$5,000
 Subtotal:	 \$26,600
 Total Expenses	 \$56,550
 NET INCOME	 -\$4,230

Approved: July 24, 2013



Saskatchewan Forage Seed Development Commission Planned Programs and Activities for 2013-2014

- Maintain SFSDC Grower Database
- Work with Saskatchewan Agri-Food Council regarding activities, issues and regulations
- Participate in the Saskatchewan Forage Network to promote increased research in forage seed crops and fund forage research
- Research Program
 - Work with the Northeast Agricultural Research Program (NARF) to start forage seed research at Melfort, SK
 - Develop data for minor use submissions
 - Initiate future research projects with NARF and off-station using ADOPT, industry and SFSDC funding
 - Distribute results from the University of Saskatchewan Nitrogen Use Efficiency project
 - Provide funding for the University of Alberta Red Clover Casebearer project
 - Investigate collaboration with new Forage Crop Plant Breeder at University of Saskatchewan
- Identify minor use needs for forage seed growers and provide input to the minor use priority program with Agriculture and Agri-Food Canada
- Participate in summer field day
- Apply for funding from Saskatchewan Agriculture's Industry Organization Development Fund to enhance Commission resources and promote the industry
- Host Grower Information Workshop – December 2013
- Publish two issues of *Prairie Seeds Newsletter*
- Contribute to *eNews* – Sask Forage Council's email newsletter
- Provide *Forage Seed News Magazine* to current levy payers
- Regularly update the SFSDC Website

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Saskatchewan Forage Seed Development Commission

We have audited the accompanying financial statements of Saskatchewan Forage Seed Development Commission, which comprise the balance sheet as at June 30, 2013 and the statements of revenue, expenditure and unappropriated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Forage Seed Development Commission as at June 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian standards for not-for-profit organizations.

Milton & Associates

Chartered Accountants

October 08, 2013

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

BALANCE SHEET

JUNE 30, 2013

ASSETS

	2013	2012
CURRENT		
Cash (note 4)	\$ 190,711	\$ 208,186
Levies receivable	<u>20,725</u>	<u>16,351</u>
	<u>\$ 211,436</u>	<u>\$ 224,537</u>

LIABILITIES AND SURPLUS

CURRENT		
Accounts payable	\$ 4,423	\$ 6,260
SURPLUS		
Unappropriated	<u>207,013</u>	<u>218,277</u>
	<u>\$ 211,436</u>	<u>\$ 224,537</u>

Approved on behalf of the Board


MARCEL ENNIS TREASURER Director

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND UNAPPROPRIATED SURPLUS

YEAR ENDED JUNE 30, 2013

	2013 Budget	2013 Actual	2012 Actual
REVENUE			
Levies	\$ 40,000	\$ 38,458	\$ 46,318
Less levy refunds	(700)	(2,521)	64
	<u>39,300</u>	<u>35,937</u>	<u>46,382</u>
Grants	1,525	(6,805)	7,056
Investment revenue	2,500	3,061	2,820
	<u>43,325</u>	<u>32,193</u>	<u>56,258</u>
 EXPENDITURE			
Administration	12,000	11,638	12,602
Advertising and promotion	1,000	90	632
Annual general meeting	500	429	292
Bank charges	100	119	77
Database management	1,500	499	1,339
Directors' expense	3,000	2,803	999
Directors' meetings	500	358	-
E=News and Forage Seed News	4,000	3,826	500
GST	500	1,156	-
Newsletter	3,000	821	1,462
Postage	300	58	87
Professional fees	1,400	1,313	1,260
Website design and maintenance	1,000	778	5,344
Research			
Weed control in grasses (NARF)	1,500	3,400	-
Weed control in legumes (NARF)	1,500	4,600	-
Fertility trial in grasses (Agrotain)	350	616	1,325
Red clover case bearer	1,000	1,000	1,000
Brome grass seed midge control	3,275	3,993	3,575
Fertility in grasses (NARF)	5,000	800	-
Fungicide on grasses	7,800	5,160	708
Pod sealant	-	-	550
	<u>49,225</u>	<u>43,457</u>	<u>31,752</u>
 SURPLUS (DEFICIT) FOR THE YEAR	 <u>\$ (5,900)</u>	 <u>(11,264)</u>	 <u>24,506</u>
 UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR		 <u>218,277</u>	 <u>193,771</u>
 UNAPPROPRIATED SURPLUS, END OF YEAR		 <u>\$ 207,013</u>	 <u>\$ 218,277</u>

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

	2013	2012
OPERATIONS		
Cash receipts	\$ 34,084	\$ 60,731
Cash disbursements	(54,501)	(36,077)
Investment revenue	3,061	2,820
Bank charges and interest	<u>(119)</u>	<u>(77)</u>
INCREASE (DECREASE) IN CASH	(17,475)	27,397
CASH, BEGINNING OF YEAR	<u>208,186</u>	<u>180,789</u>
CASH, END OF YEAR	<u>\$ 190,711</u>	<u>\$ 208,186</u>

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

1 NATURE OF ENTITY

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.

Saskatchewan Forage Seed Development Commission is a non-profit organization incorporated under the Agri-Foods Act, 2004 of Saskatchewan. Under present legislation, the commission is not subject to income taxes.

2 IMPACT OF ADOPTING ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These are the Commission's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended June 30, 2013, the comparative information for the year ended June 30, 2012, and the opening ASNPO balance sheet as at June 01, 2011 (the Commission's date of transition to ASNPO).

In preparing these financial statements, the Society has not elected to apply any transitional provisions permitted by CICA 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO.

The transition to ASNPO has not affected the statement of financial position, statements of earnings or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Revenue Recognition

Revenue from levies is recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Other revenue is recognized when received. Expenditures are recorded in the period the goods and services are received.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of earnings in the period in which they become known.

CASH

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

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The Commission recognizes its financial instruments when the Commission becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Commission may irrevocably elect to subsequently measure any financial instrument at fair value. The Commission has not made such an election during the year.

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of earnings for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

The Commission assesses impairment of all its financial assets measured at cost or amortized cost. Any impairment which is not considered temporary is included in the current year's statement of earnings.

The Commission reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of earnings in the year the reversal occurs.

4 CASH	2013	2012
Operating accounts	\$ 5,723	\$ 59,889
Savings account	86,169	-
Term deposits	98,819	148,297
	<u>\$ 190,711</u>	<u>\$ 208,186</u>

5 FINANCIAL INSTRUMENTS

The Commission, as part of its operations, carries a number of financial instruments. It is management's position that the Commission is not exposed to significant interest, currency, credit. Liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

6 BUDGETTED FIGURES

The budgetted figures, prepared and approved by the Board, are presented for comparative purposes only. They have not been audited or reviewed.

7 PRIOR YEAR'S COMPARATIVE FIGURES

The prior year's financial statements were audited by another Chartered Accountant firm.

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

EXPENDITURE BY OBJECT

YEAR ENDED JUNE 30, 2013

	2013	2012
PERSONAL		
Ray McVicar	\$ 13,509	\$ 5,597
Hope Floats Services	-	10,547
D. Maxwell	1,235	-
Payees under \$1,000	<u>1,604</u>	<u>1,964</u>
	<u>16,348</u>	<u>18,108</u>
SUPPLIERS		
Levy refunds	2,521	-
Merv Culham, CA	1,375	1,320
Prairie Orchid Media	814	4,812
Minister of Finance	6,805	-
Manitoba Forage Seed Association	3,480	-
Payees under \$1,000	<u>2,042</u>	<u>1,760</u>
	<u>17,037</u>	<u>7,892</u>
RESEARCH		
Pasquia Agro Services	788	1,325
Rick Cherepuschak	6,810	3,000
University of Alberta	1,000	1,000
Northeast Agricultural Research Foundation	9,240	-
Payees under \$1,000	<u>1,560</u>	<u>427</u>
	<u>19,398</u>	<u>5,752</u>
	<u>\$ 52,783</u>	<u>\$ 31,752</u>

Milton & Associates CHARTERED ACCOUNTANTS

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To the Members of
Saskatchewan Forage Seed Development Commission

We have made an examination to determine whether Saskatchewan Forage Seed Development Commission complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue-raising, borrowing and investing activities during the year ended June 30, 2013:

The Agri-Food Act, 2004

The Saskatchewan Forage Seed Development Plan Regulation

Our examination was made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, Saskatchewan Forage Seed Development Commission has complied, in all material respects, with the provisions of the aforementioned legislative and related authorities during the year ended June 30, 2013.

Milton & Associates

Chartered Accountant

October 08, 2013

Milton & Associates CHARTERED ACCOUNTANTS

To the Members of
Saskatchewan Forage Seed Development Commission

We have audited Saskatchewan Forage Seed Development Commission's control as at June 30, 2013 to express an opinion as to the effectiveness of its control related to the following objectives:

- To safeguard agency resources – to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan to achieve its goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding agency resources, revenue-raising, spending, borrowing and investing.

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICCA) to make judgements about the effectiveness of Saskatchewan Forage Seed Development Commission's control. We did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

The CICA defines control as comprising those elements of an organizations objectives that, taken together, support people in the achievement of the organization's objectiveness. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

Saskatchewan Forage Seed Development Commission's management is responsible for effective control related to the objectives stated above. Our responsibility is to express an opinion on the effectiveness of control based on our audit.

We conducted our audit in accordance with standards for assurance engagements established by CICA. Those standards require that we plan and perform an audit to obtain reasonable assurance as to the effectiveness of Saskatchewan Forage Seed Development Commission's control related to the objectives above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Control can provide only reasonable assurance and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can

be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or the degree of compliance with the control activities may deteriorate.

In our opinion, based on the limitations noted above, Saskatchewan Forage Seed Development Commission's control was effective, in all material respects, to meet the objectives stated above as of June 30, 2013 based on the CICA criteria of control framework.

Milbr + Associates

Charter Accountant

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