



**Saskatchewan Forage Seed Development Commission
Annual Report
July 1, 2013 to June 30, 2014**

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Chairman's Report – David Maxwell
December 2, 2014

Hello fellow forage seed growers,

It has been another very interesting year with many high points and challenges along the way. Excess soil moisture has continued to be an issue for many growers and yields were often not as good as in 2013. There are more acres planted into forage seed and prices and demand have stayed comparatively strong, so this bodes well for our industry.

On your behalf, we have built on our research program with the Northeast Agriculture Research Foundation (NARF) at Melfort. Our program grew significantly this year as we were able to apply for and receive funding from Saskatchewan Agriculture for 5 ADOPT projects. This has allowed us to afford additional research projects like minor use herbicide and copper fertility work.

Our membership in the Saskatchewan Forage Network has provided the chance to leverage levy money by joining other grower groups like Saskatchewan Cattlemen's Association, Sask Milk, and Saskatchewan Leafcutters. The Network started a new fund to support forage research projects at the U of S. The appointment of Dr. Bill Biliget as the new Forage Crop Plant Breeder at the U of S will also provide the opportunity for us to leverage growers' levy to increase future research on forage seed.

Your commission joined Forage Seed Canada in 2014. Our objective is to better coordinate our efforts with the other forage seed grower organizations in the Prairies.

Our January 2014 letter to Agriculture Minister Ritz outlined our growers' concerns over the potential declining seed inspection services available for pedigreed growers.

We had great line-up of speakers at our Grower Information Workshop in December 2013. With the financial help of Saskatchewan Agriculture, we were able to bring in a guest speaker from Oregon State University to provide and update on Oregon's forage seed production practises and research. And with the use of a live webcast we were able to hear and see the market update without the speaker from Alberta leaving his office! It is important to continue to look for new ways to get information to growers.

The research field day at Melfort in July 2014 was a great success. We joined the NARF plot tour for much of the day and then held our Forage Seed Mini-Tour in the later afternoon to focus on our research program. We will continue to hold field days in the future.

Terry Kowalchuk, Provincial Forage Specialist joined your Board as Ex-Officio Director in 2014. Welcome Terry. I want to thank all of the Directors for their efforts and dedication to our industry and our Commission. I have been your Chairman for five years and it has been great to work with our very capable Board.

Four Directors see their terms expire this year. On your behalf, I want to thank Roger Kirk, Randy Tulloch, Bruce Coulman and Clayton Myhre for their many years of commitment, time and advice during the establishment and growth of the Commission. We are all very grateful to you.

Wishing you a Prosperous 2015!

Your Chairman, *David S. Maxwell*

Saskatchewan Forage Seed Development Commission (SFSDC)

Executive Director Report for 2013-2014

Ray McVicar - December 2, 2014

The 2013-2014 fiscal year saw an increase in the levy contributed to the SFSDC due in part to a good crop in many areas in 2013 and strong prices for most forage seed. There has also been an increase in acres planted over the past year as long-time and new growers have seen canola and wheat drop and demand stay strong for forages.

REVENUE	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Levy funds collected	\$59,801	\$38,458	\$46,318	\$34,854	\$42,543	\$39,093
Less levy refund	(\$2,870)	(\$2,521)	\$64*	(\$365)	(\$768)	(\$850)
Levy Total	\$56,931	\$35,937	\$46,382	\$34,489	\$41,775	\$38,243
Producers contributing levy	176	154	175	138	149	229

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

Forage seed deliveries and levies submitted in 2013-2014 are summarized in the following table. Red clover continues to be our largest crop, followed by timothy, perennial ryegrass, slender wheatgrass and others.

CROP KIND	Weight (kg)	Total Value (\$)	Levy (\$)
Alsike Clover	38,439	\$91,185	\$684
Birdsfoot Trefoil	28,611	\$92,041	\$690
Cicer Milkvetch	11,017	\$34,349	\$257
Red Clover	1,616,212	\$3,530,922	\$26,481
Sweet Clover	187,634	\$304,954	\$2,287
Annual Ryegrass	35,779	\$17,997	\$135
Crested Wheatgrass	169,881	\$632,558	\$4,744
Dahurian Wild Rye	69,943	\$ 107,935	\$809
Fowl Bluegrass	2,065	\$5,156	\$38
Hybrid Bromegrass	51,881	\$188,836	\$1,416
Meadow Bromegrass	6,502	\$24,741	\$185
Perennial Ryegrass	277,111	\$367,349	\$2,755
Red Top	14,879	\$102,330	\$767
Reed Canarygrass	552	\$2,436	\$18
Slender Wheatgrass	188,793	\$541,818	\$4,063
Smooth Bromegrass	15,589	\$55,008	\$412
Tall Fescue	10,602	\$12,860	\$96
Timothy	916,307	\$1,860,942	\$13,957
Totals	3,641,817	\$7,973,489	\$59,801

The Commission is focussed on increasing research in forage seed that will benefit our growers. In 2013, we started a new research program with the Northeast Agriculture Research Foundation (NARF) located at the Agriculture and Agri-Food Canada Research Farm at Melfort SK including:

1) Established 10 forage seed crops and carried out seedling herbicide tolerance tests with the goal to develop data for possible minor use submissions. The crops planted were: perennial ryegrass, timothy, hybrid bromegrass, tall fescue, slender wheatgrass, alsike clover, red clover, sweet clover, birdsfoot trefoil and cicer milkvetch.

2) Copper fertilizer was applied in strip trials on established grass seed crops in the Choiceland, White Fox, and Nipawin SK areas.

The reports for these two projects are posted on the SFSDC website under Research.

In 2014, we continued to look at potential herbicides on nine established forage seed crops at the NARF site. Encouraging results in the 2013 copper trial led us to carry out a more in-depth project on copper fertility in 2014 with more products and sites. The Commission applied to Saskatchewan Agriculture's Agricultural Demonstration of Practices and Technologies (ADOPT) program, and in March 2014 was successful in receiving support for 5 new projects at the NARF site. These are:

- Controlling Noxious Weeds and Improving Seed Quality in Established Forage Legume Crops;
- Controlling Noxious Weeds and Improving Seed Quality in Established Forage Grass Crops;
- Demonstrating the Proper Timing and Application of a Desiccant on Red Clover Seed Crops;
- Management Options to Control Lesser Clover Leaf Weevil in Red Clover; and
- Evaluating the Placement of Companion Crops in Forage Seed Production.

Products were donated by BASF Canada, Dow AgroSciences, Bayer CropScience, Nufarm Agriculture, Syngenta Canada, DuPont Canada, Yara International and Nexus Ag. Seed was donated by DLF-Pickseed. BASF Canada provided a financial contribution to the minor use project. Watch for these project reports on the SFSDC website as they become available.

We continued to partner with the University of Alberta by providing \$1,000 in 2013-2014 to complete their research on "Pheromone-Mediated Mating Disruption for red clover casebearer." The final report can be found on the SFSDC website.

The fertility project "Improving Nitrogen Use Efficiency in Forage Seed Production" led by Dr. Fran Walley at the University of Saskatchewan is now winding up. The third year update is included in our Fall 2014 Newsletter and the final report is expected out in March 2015.

Starting in 2013-2014, SFSDC provided \$5,000 per year for three years to the Saskatchewan Forage Network with the objective of increasing the amount of forage crop research at the University of Saskatchewan. The Network has now begun to allocate a total of \$43,000 per year towards Masters or Post-Doctorate student projects on forage research, scheduled to start in 2015.

A new display banner was produced and the SFSDC information brochure was revised with the financial support of Saskatchewan Agriculture. The display banner and brochure will be used to promote the forage seed industry and the activities of SFSDC at trade shows, field days and grower meetings. This is the first time SFSDC has had a display. The previous brochure was published in 2005.

The SFSDC Board of Directors held five board meetings or conference calls during the 2013-2014 year as well as the grower information session held in Nipawin on December 5, 2013. The summer field day was held in conjunction with the NARF Field Day in Melfort in July 2013. Over 150 people were in attendance and SFSDC provided an explanation of our current trials at Melfort, and an overview of the Commission and its research program.

Two editions of the *Prairie Seeds Newsletter* were published during 2013-2014 and past editions are posted on our website. The Commission also provided copies of the Manitoba Forage Seed Association *Forage Seed News* to current levy payers so they could receive more information on research and the forage seed industry throughout the Prairies.

Thank you to our levy payers and the forage seed buyers who continue to contribute their money, support and time to the Commission. I also want to thank the Board of Directors for the opportunity to be your Executive Director.

Ray McVicar, Executive Director, SFSDC
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Saskatchewan Forage Seed Development Commission 2013-2014 Annual General Meeting

Tuesday, December 2, 2014

Chair: David Maxwell

AGENDA

- 1. Call to Order**
- 2. Agenda**
 - **Approval of the Agenda**
- 3. Minutes of the 2012-2013 Annual Meeting – Ray McVicar**
 - **Approval of the Minutes of the 2012-2013 Annual Meeting**
 - **Business Arising from the Minutes**
- 4. Directors**
 - **Retiring**
 - **New**
- 5. Reports**
 - **Chairman Report – David Maxwell**
 - **Executive Director Report – Ray McVicar**
 - **2013-2014 Audited Financial Report – Ray McVicar**
 - **2014-2015 Planned Programs and Activities – James Silcox**
 - **2014-2015 Budget – James Silcox**
 - **Approval of the Reports**
- 6. New Business**
 - **Appointment of Auditor for 2014-2015**
- 7. Other Business**
- 8. Adjourn**



**Saskatchewan Forage Seed Development Commission
2013-2014 Annual General Meeting
December 2, 2014 Nipawin Saskatchewan
MINUTES**

Chairman: David Maxwell

Recording: Ray McVicar

1. Meeting called to order at 2:34 PM

2. Agenda

- Moved by Roger Kirk, seconded by Nels Smelland to approve the agenda. Carried

3. Minutes of the 2012-2013 Annual General Meeting were reviewed by Ray McVicar.

- Moved by James Staffen, seconded by Terry Kowalchuk that the minutes of the 2012-2013 Annual General Meeting be accepted. Carried
- Business arising from the minutes. None.

4. Directors

- Retiring Directors: Roger Kirk, Clayton Myhre, Randy Tulloch, and Bruce Coulman were presented with certificates and letters of appreciation for their 9 years of service
- New Directors appointed to the SFSDC Board are: Morley Doerksen, Denton Peifer, and Bill Biligetu

5. Reports

Chairman Report - David Maxwell

- Expanded research program with Northeast Agriculture Research Foundation at Melfort
- Our membership in the SK Forage Network has led to expanded research funding at U of S and Dr. Bill Biligetu has been hired at U of S as Forage Plant Breeder
- We joined Forage Seed Canada to better coordinate efforts across the Prairies
- Terry Kowalchuk with Saskatchewan Agriculture joined the Board of Directors

Executive Director Report - Ray McVicar

- Levy increased to \$56,931 and the number of growers increased to 176
- Research program expanded to include 5 approved ADOPT projects
- New SFSDC display banner and revised brochure were developed with funding from Saskatchewan Agriculture
- Five Board meetings or conference calls were held
- Summer Field Day was held at the Melfort station in July 2013
- The grower information workshop was held in December 2013 with guest speaker from Oregon State University funded by Saskatchewan Agriculture
- Two editions of Prairie Seeds Newsletter were published

Audited Financial Report 2013-2014 was reviewed by Ray McVicar. It was noted the Statement of Revenue & Expenses should show a surplus of \$22,499 not a deficit.

List of Planned Programs and Activities for 2014-2015 was reviewed by James Silcox.

2014-2015 Budget was distributed and reviewed by James Silcox.

- Moved by Roger Kirk, seconded by Denton Peifer that all reports be accepted. Carried

6. New Business

- Moved by Nels Smelland, seconded by Bernie Schultz to appoint Bob Milton, Milton and Associates, Regina SK as Auditor for 2014-2015. Carried

7. Other Business. None

8. Moved by Clayton Myhre to adjourn the Annual General Meeting at 3:15 PM. Carried

Note: 24 forage seed growers in attendance

**Saskatchewan Forage Seed Development Commission
Budget 2014 / 2015**

For the Period July 1, 2014 to June 30, 2015

	2014/15
INCOME	<u>Budget</u>
Estimated levy income	\$40,000
Estimated levy refunds	-\$2,000
Estimated other income	
Research - Revenue refunded	\$0
Research Revenues - Industry	\$1,500
Research ADOPT - Herbicide Grasses	\$1,400
ADOPT - Herbicides Legumes	\$1,100
ADOPT - Companion Crop	\$5,500
ADOPT - Desiccation	\$1,100
ADOPT - Red Clover Leaf Weevil	\$0
ADOPT - New projects	\$5,000
Interest	\$2,500
Other Revenue	
Industry Org Dev Fund	\$1,000
 Total Income	 \$57,100
 EXPENDITURES	
Administration	\$11,000
Directors & Officers Liability Insurance	\$1,100
Director Meetings	\$500
Forage Seed Canada	\$700
Promotion / Advertising	\$1,000
Annual General Meeting & Workshop	\$1,000
Bank Charges	\$150
Database Management	\$1,200
Director Expenses	\$3,500
Website Maintenance	\$1,200
Newsletter (2)	\$1,500
Postage / Freight	\$200
Auditor	\$1,500
eNews / Forage Seed News	\$4,400
GST Paid	\$1,000
 Subtotal:	 \$29,950

Saskatchewan Forage Seed Development Commission
Budget 2014 / 2015
For the Period July 1, 2014 to June 30, 2015

	2014/15
Research	<u>Budget</u>
Weed Control in Grasses NARF	\$7,500
Weed Control in Legumes NARF	\$7,500
Fertility in Grasses NARF (copper)	\$500
Fertility Research	\$5,000
Other Research	\$10,000
SK Forage Network	\$5,000
ADOPT - Herbicide Grasses	\$1,400
ADOPT - Herbicides Legumes	\$1,400
ADOPT - Companion Crop Estab	\$5,600
ADOPT - Desiccation	\$1,400
ADOPT - Red Clover Leaf Weevil	\$0
ADOPT - New projects	\$5,000
Subtotal:	\$50,300
Total Expenses	\$80,250
NET INCOME	-\$23,150



Planned Programs and Activities for 2014-2015 Saskatchewan Forage Seed Development Commission

- Research Program
 - Expand forage seed research program at Northeast Agriculture Research Foundation (NARF) at Melfort, SK
 - Develop data for potential minor use submissions
 - Carry out ADOPT-funded projects. Apply for new ADOPT project
 - Provide updates on the University of Saskatchewan Nitrogen Use Efficiency project
 - Complete funding for the University of Alberta Red Clover Casebearer project and post the final report
 - Investigate potential collaboration with plant breeding research program at the University of Saskatchewan
- Collaborate with the Saskatchewan Forage Network to fund new forage research projects and promote increased research in forage crops
- Identify minor use needs for forage seed growers and provide input to the minor use priority program with Agriculture and Agri-Food Canada
- Promote and lead the summer forage seed Mini-Tour
- Investigate sources of funding for a SFSDC Strategic Planning Session
- Host Grower Information Workshop – December 2014
- Publish two issues of *Prairie Seeds Newsletter*
- Contribute to *eNews* – Saskatchewan Forage Council's email newsletter
- Provide *Forage Seed News Magazine* to current levy payers
- Work with Saskatchewan Agri-Food Council to amend SFSDC regulations
- Maintain SFSDC Grower Database as required by the SFSDC Regulations
- Collaborate with Forage Seed Canada on prairie-wide forage seed issues
- Update the SFSDC Website on a regular basis

Milton & Associates CHARTERED ACCOUNTANTS

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, 2014:

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, 2014.

Milton & Associates

Chartered Accountant

November 25, 2014

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, 2014 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 judgments 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 judgment 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, 2014 based on the CICA criteria of control framework.

Mulder & Associates

Charter Accountant

November 25, 2014

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

AUDITORS' REPORT

To the Members of
Saskatchewan Forage Seed Development Commission:

We have audited the accompanying financial statements of the Saskatchewan Forage Seed Development Commission comprised of the balance sheet as at June 30, 2014 and the statements of revenue and 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 the Commission at June 30, 2014, 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.

Milton & Associates

Chartered Accountants

November 25, 2014

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

**BALANCE SHEET
JUNE 30, 2014**


ASSETS

	2014	2013
CURRENT		
Cash (note 3)	\$ 200,022	\$ 190,711
Levies receivable	<u>30,028</u>	<u>20,725</u>
	<u>\$ 230,050</u>	<u>\$ 211,436</u>

LIABILITIES AND SURPLUS

CURRENT		
Accounts payable	\$ 539	\$ 4,423
SURPLUS		
Unappropriated	<u>229,511</u>	<u>207,013</u>
	<u>\$ 230,050</u>	<u>\$ 211,436</u>

Approved on behalf of the Board

 Director

Margie Enns, Treasurer Director

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND UNAPPROPRIATED SURPLUS

YEAR ENDED JUNE 30, 2014

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Levies	\$ 35,000	\$ 59,801	\$ 38,458
Less levy refunds	<u>(1,500)</u>	<u>(2,870)</u>	<u>(2,521)</u>
	33,500	56,931	35,937
Grants	14,820	26,870	(6,805)
Other revenue	1,500	5,544	-
Investment revenue	<u>2,500</u>	<u>3,096</u>	<u>3,061</u>
	<u>52,320</u>	<u>92,441</u>	<u>32,193</u>
EXPENDITURE			
Administration	11,000	10,313	10,663
Advertising and promotion	1,000	2,004	90
Annual general meeting	1,500	3,725	429
Bank charges	150	103	119
Database management	1,200	822	499
Directors' expense	3,500	2,074	2,803
Directors' meetings	500	326	358
Directors' and officers' liability insurance	1,100	975	975
E=News and Forage Seed News	4,300	4,022	3,826
Forage Seed Canada	-	539	-
GST	1,500	616	1,156
Newsletter	1,500	1,185	821
Postage	200	107	58
Professional fees	1,500	1,365	1,313
Website design and maintenance	1,000	921	778
Research			
Weed control in grasses (NARF)	7,700	6,450	3,400
Weed control in legumes (NARF)	7,700	6,630	4,600
Fertility in grasses (NARF)	5,200	1,960	800
Red clover case bearer	1,000	1,000	1,000
Sk Forage Network	5,000	5,000	-
ADOPT 20130350 desiccant red clover	4,090	3,530	-
ADOPT 20130351 leaf weevil red clover	2,300	1,600	-
ADOPT 20130352 companion crops	5,100	4,845	-
ADOPT 20130355 weeds in grasses	5,890	5,510	-
ADOPT 20130356 weeds in legumes	4,580	4,320	-
Bromegrass seed midge control	-	-	3,993
Fertility trial in grasses (Agrotain)	-	-	616
Fungicide on grasses	-	-	5,160
	<u>78,510</u>	<u>69,942</u>	<u>43,457</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ (26,190)	22,499	(11,264)
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR		<u>207,013</u>	<u>218,277</u>
UNAPPROPRIATED SURPLUS, END OF YEAR		\$ 229,512	\$ 207,013

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

	2014	2013
OPERATIONS		
Cash receipts	\$ 82,911	\$ 34,084
Cash disbursements	(76,593)	(54,501)
Investment revenue	3,096	3,061
Bank charges and interest	<u>(103)</u>	<u>(119)</u>
INCREASE (DECREASE) IN CASH	9,311	(17,475)
CASH, BEGINNING OF YEAR	<u>190,711</u>	<u>208,186</u>
CASH, END OF YEAR	<u>\$ 200,022</u>	<u>\$ 190,711</u>

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

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 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.

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.

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

EXPENDITURE BY OBJECT

YEAR ENDED JUNE 30, 2014

	2014	2013
PERSONAL		
Ray McVicar	\$ 17,316	\$ 13,509
D. Maxwell	-	1,235
Payees under \$1,000	<u>2,572</u>	<u>1,604</u>
	<u>19,888</u>	<u>16,348</u>
SUPPLIERS		
Levy refunds	2,870	2,521
Merv Culham, CA	-	1,375
Prairie Orchid Media	1,977	814
Minister of Finance	-	6,805
Manitoba Forage Seed Association	3,698	3,480
Milton & Associates	1,430	-
Payees under \$1,000	<u>2,571</u>	<u>2,042</u>
	<u>12,546</u>	<u>17,037</u>
RESEARCH		
Pasquia Agro Services	-	788
Rick Cherepuschak	-	6,810
Sk Forage Council	5,500	-
University of Alberta	1,000	1,000
Northeast Agricultural Research Foundation	33,878	9,240
Payees under \$1,000	<u>-</u>	<u>1,560</u>
	<u>40,378</u>	<u>19,398</u>
	<u>\$ 72,812</u>	<u>\$ 52,783</u>