



**Saskatchewan Forage Seed Development Commission
Annual Report
July 1, 2014 to June 30, 2015**

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Board of Directors 2014-2015**

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SFSDC Chairman's Report – David Maxwell
December 2, 2015

Welcome to the tenth annual Forage Seed Development Commission meeting. Early snow coverage in the Northeast before real cold weather should help with overwintering our forage seed crops. We all know that it's the spring thaw and temperature that makes the real difference.

Your Commission is steadily meeting their mandate of advancing research initiatives in the forage seed area. We are always open to suggestions and advice from farmers as to what they feel is needed in research. We have continued to grow and change our relationship with the Northeast Agriculture Research Foundation (NARF) at Melfort. It is important for us to look for ways to leverage our funds through programs like Saskatchewan Agriculture's ADOPT. This has allowed us to spend levy dollars on additional research projects such as minor use and fertility work. This year we added a second site for our research program at the University in Saskatoon. This will spread out the risk of weather problems and hopefully increase minor use registrations in our crops.

We held a Strategic Planning Session in March to review what the Commission has done in its first ten years and look at possible directions for the future. We have not got into market development at this time but it is something to be considered in the future.

Your Board doesn't meet just for a nice visit. We met in-person three times and had three conference calls. Not an onerous schedule but it seems to be working. Ray, our Executive Director, lives in Regina and is able to represent us at many meetings that don't warrant a Director. This saves us travel costs that do add up.

We joined the Saskatchewan Forage Network two years ago. This has proven to be an asset because it allows us to work with large organizations with deep pockets like the Saskatchewan Cattlemen's Association and Sask Milk to fund research projects and attract attention to our research needs. The Forage Network funding runs out in March 2017, so we will need to make a decision on whether or not to continue to support it.

Forage Seed Canada is the umbrella organization for the forage seed commissions in the Prairies. Currently, the group is looking into the potential impact of Roundup Ready alfalfa. We joined in 2014 and we will continue to monitor the activities and importance of the group to make sure it meets the needs of our members.

We were involved in two field tours in 2015. I want to thank AG-Vision Seeds and Denluc Farms for hosting our field tour near Carrot River on July 21. I also want to thank Faye Dokken and Danielle Stephens with Saskatchewan Agriculture for their pre-tour talk on forage crop diseases. We also joined the NARF field day on July 22 that included our forage seed establishment project. It is important to work with all of our partners so that we can continue to hold field tours in the future.

Four new Directors joined our Board in 2015. They are Morley Doerksen, Denton Peifer, Bill Biligetu and Leanna Rousell. I want to thank all of our Directors for their efforts and dedication to our industry and the Commission. In the six years that I have been your Chair, it has been great to work with our very capable Directors.

Have a Prosperous 2016!

David S. Maxwell

Saskatchewan Forage Seed Development Commission (SFSDC)

Executive Director Report 2014-2015

December 2, 2015

Thank you to our levy payers who continue to contribute to the Commission. Many thanks are also owed to the forage seed buyers and industry companies who support the forage seed industry and the Commission in so many ways. I also want to thank the Board of Directors for the opportunity to be your Executive Director and for all their time and efforts for the Commission.

The Board held a Strategic Planning Session in March 2015 to lay out plans for the Commission's activities and goals for the next three to five years. Consultants were hired to facilitate the session and write the report. SFSDC has a small levy base with a limited budget, and Saskatchewan Ministry of Agriculture provided the funds needed to carry out this important process. The results of the session indicated research continues to be the number one priority for SFSDC. Forage crop plant breeding, weed control, and alternate seeding methods are all high on the list of research needs.

The Board increased our research program in 2015. The Northeast Agriculture Research Foundation (NARF) at the Melfort Research Farm is the centre of most of our projects including:

- The continuation of the minor use herbicide program on seedling red, alsike and sweet clover, as well as established slender wheatgrass;
- Plant growth regulator on established red clover to check for initial effect and to help determine where we go with plant growth regulator work in 2016; and
- Foliar copper fertilizer applied in strip trials at a number of sites in the Nipawin and Carrot River areas.

Thank you to Saskatchewan Ministry of Agriculture for providing funding for three ADOPT projects that were completed at NARF in 2014-2015 with the reports now on the SFSDC website:

- Controlling Noxious Weeds and Improving Seed Quality in Established Forage Legume Crops;
- Controlling Noxious Weeds and Improving Seed Quality in Established Forage Grass Crops; and
- Demonstrating the Proper Timing and Application of a Desiccant on Red Clover Seed Crops.

Two ADOPT projects were carried out in 2015:

- Fungicides on established timothy and tall fescue crops to increase seed production; and
- Evaluating the Placement of Companion Crops in Forage Seed Production. This is the second year of a two year project to compare planting meadow brome grass and perennial ryegrass with and without a companion crop in the same or in alternate rows.

To expand our minor use herbicide program in 2015, the Weed Control Program at the University of Saskatchewan in Saskatoon was contracted to establish cicer milkvetch, sainfoin, sweet clover, hybrid brome grass, timothy and slender wheatgrass plots and begin herbicide tolerance work. Crops were planted in June and excellent stands were established. Seedling treatments were applied to a portion of the area, leaving an additional area for research on established crops in 2016. The minor use trials are off to a great start at the U of S.

Thank you to BASF Canada, DLF Pickseed Canada, Dow Agrosciences, Bayer CropScience, Syngenta Canada, BrettYoung Seeds, DuPont Canada and Yara International for supplying products for our research.

The fertility project "Improving Nitrogen Use Efficiency in Forage Seed Production" led by Dr. Fran Walley at the University of Saskatchewan was completed in 2015 and the final report is now on Saskatchewan Agriculture's ADF website. SFSDC provided \$5,000 toward this project in 2012.

Starting in 2013-2014, SFSDC provided \$5,000 per year (for three years) to the Saskatchewan Forage Network to fund new forage crop research at the University of Saskatchewan. This money, together with contributions from SaskMilk, Saskatchewan Cattlemen's Association and Saskatchewan Alfalfa Seed Commission, allows SK Forage Network to allocate \$43,000 per year towards Masters or Post-Doctorate student projects. To date, funding for three projects has been granted:

- Development of crested wheatgrass lines with acceptable forage/seed yields and forage quality to extend use later in the growing season; to identify crested wheatgrass plants with high digestibility at

a mature growth stage; and test new crested wheatgrass materials for adaptation under Saskatchewan growing conditions. MSc candidate working under the direction of Dr. Bill Biligetu.

- Development of new sainfoin lines with smaller seed size to reduce establishment costs. MSc candidate working under the direction of Dr. Bill Biligetu.
- Comparison of barley forage with highest and lowest digestible fibre (NDF) in high production dairy cattle. PhD candidate working under the direction of Dr. Peiqiang Yu.

The SFSDC Board of Directors held six board meetings or conference calls during 2014-2015, as well as the grower information session held in Nipawin on December 2, 2014. The summer field day was held in conjunction with the NARF Field Day in Melfort in July 2014. SFSDC held the Forage Seed Research Mini-Tour following the NARF tour. We were very pleased to see 25 people stay on to look at the forage seed projects underway at NARF.

Two editions of the *Prairie Seeds Newsletter* were published during 2014-2015, with past editions posted on our website. The Commission also provided copies of the Manitoba Forage Seed Association *Forage Seed News* to current levy payers to keep up-to-date on research and forage seed industry information throughout the Prairies.

In 2014-2015, we saw a decrease in the levy contributed to the SFSDC after a large red clover crop in the previous year. The strong prices for most forage seed has led to an increase in grass species production and sales.

REVENUE	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Levy funds collected	\$ 49,340	\$59,801	\$38,458	\$46,318	\$34,854	\$42,543	\$39,093
Less levy refund	(\$348)	(\$2,870)	(\$2,521)	\$64*	(\$365)	(\$768)	(\$850)
Levy Total	\$ 48,992	\$56,931	\$35,937	\$46,382	\$34,489	\$41,775	\$38,243
Producers contributing levy	162	176	154	175	138	149	229

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

Forage seed deliveries and levies submitted in 2014-2015 are summarized in the following table.

CROP KIND	Weight (kg)	Total Value (\$)	Levy (\$)
Alsike Clover	4,104	\$14,060	\$105
Cicer Milkvetch	90,616	\$248,907	\$1,867
Red Clover	899,311	\$2,310,700	\$17,350
Sweet Clover	131,461	\$228,848	\$1,716
Annual Ryegrass	485,305	\$311,277	\$2,335
Crested Wheatgrass	137,238	\$462,577	\$3,469
Dahurian Wild Rye	19,577	\$ 32,369	\$243
Hybrid Bromegrass	71,492	\$265,303	\$1,990
Intermediate Wheatgrass	87,526	\$337,675	\$2,533
Meadow Bromegrass	11,167	\$68,807	\$516
Meadow Fescue	7,213	\$27,030	\$203
Perennial Ryegrass	135,513	\$166,540	\$1,249
Red Top	16,296	\$86,438	\$648
Slender Wheatgrass	212,000	\$517,461	\$3881
Smooth Bromegrass	15,435	\$67,258	\$504
Timothy	731,868	\$1,417,250	\$10,629
Totals	3,064,352	\$6,576,072	\$49,340

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**Forage Seed Grower Workshop and
Saskatchewan Forage Seed Development Commission
Annual General Meeting**

**Wednesday, December 2, 2015 1:00 – 4:30 PM
Evergreen Centre – Twin Lakes Room
Nipawin, Saskatchewan**

- 1:00 PM Welcome and Introductions – David Maxwell, Chair SFSDC**
- 1:10 PM Forage Seed Research Program – Stu Brandt, Northeast
Agriculture Research Foundation (NARF)**
- 1:50 PM Companion Crop / Alternate Row Seeding Project – Allan
Foster, Saskatchewan Agriculture**
- 2:15 PM Forage Crop Breeding & Variety Testing Program – Dr. Bill
Billiget, University of Saskatchewan**
- 2:45 PM Break**
- 3:10 PM Annual General Meeting – Saskatchewan Forage Seed
Development Commission – David Maxwell, Chair**
- 4:00 PM Forage Seed Market Update – Shane Lacusta, Brett-Young
Seeds**
- 4:30 PM Adjourn**



**Saskatchewan Forage Seed Development Commission
2014-2015 Annual General Meeting
December 2, 2015 Nipawin Saskatchewan
MINUTES**

Chairman: David Maxwell

Recording: Ray McVicar

1. Meeting called to order at 3 PM

2. Agenda

- Moved by Marcel Enns, seconded by Leanna Rousell to approve the agenda. Carried

3. Minutes of the 2013-2014 Annual General Meeting were reviewed by Ray McVicar.

- Moved by Morley Doerksen, seconded by Don Larson that the minutes of the 2013-2014 Annual General Meeting be accepted. Carried
- Business arising from the minutes. None.

4. Directors

- Retiring Director: Marcel Enns retired from the Board after serving six years as Director.
- New Director: Morris Nycholat was appointed as Director to the SFSDC Board.

5. Reports

Chairman Report - David Maxwell

- This is the Forage Seed Development Commission's 10th Annual Meeting
- We continue to partner with Northeast Agriculture Research Foundation (NARF) at Melfort, Saskatchewan Agriculture's ADOPT program, and started working with U of S Weed Control Program this year
- We held a facilitated Strategic Planning Session in March 2015 to help guide the Board
- Membership in Saskatchewan Forage Network allows us to partner with larger grower groups to attract attention and funding to forage crops
- Four new Directors joined the Board in 2014-2015

Executive Director Report - Ray McVicar

- Research program expanded to include 2 main sites: Melfort and Saskatoon
- Saskatchewan Forage Network has funded 3 new forage research projects at U of S
- Six Board meeting or Conference calls were held
- Published 2 editions of Prairie Seeds Newsletter
- Grower Information Workshop was held in Nipawin on Dec 2, 2014
- Held Forage Seed Mini-Tour at Melfort Station in July 2014
- Levy declined to \$49,340 and the number of growers declined to 162

Audited Financial Report 2014-2015 was reviewed by Ray McVicar.

List of Planned Programs and Activities for 2015-2016 was reviewed by Marcel Enns.

2015-2016 Budget was distributed and reviewed by Marcel Enns.

- Moved by Leanna Rousell, seconded by Don Larson that all reports be accepted. Carried

6. New Business

- Moved by Jeff Trombley, seconded by Don Larson to appoint Bob Milton, Milton and Associates, Regina SK as Auditor for 2015-2016. Carried

7. Other Business:

- Should write a letter to CSGA to point out problems forage seed growers have had filling in their online inspection entry system
- No opposition was noted to approach Saskatchewan Crop Insurance Corporation to pursue crop insurance for individual forage seed crops

8. Moved by Marcel Enns to adjourn the Annual General Meeting at 3:42 PM. Carried

Note: 18 forage seed growers in attendance

**Saskatchewan Forage Seed Development Commission
Budget 2015 / 2016**

For the Period July 1, 2015 to June 30, 2016

	2015/16 <u>Budget</u>
INCOME	
Estimated levy income	\$40,000
Estimated levy refunds	-\$2,000
Estimated other income	
Research - Revenue refunded	\$0
Research Revenues - Industry	\$1,000
Research ADOPT - Companion Crop	\$1,500
ADOPT - Fungicides on Grasses	\$900
ADOPT - Red Clover Leaf Weevil	\$0
ADOPT - New projects	\$7,000
Interest	\$2,000
Other Revenue	
Industry Org Dev Fund	\$1,000
 Total Income	 \$51,400
 EXPENDITURES	
Administration	\$11,000
Directors & Officers Liability Insurance	\$1,100
Director Meetings	\$600
Forage Seed Canada	\$800
Promotion / Advertising	\$800
Annual General Meeting & Workshop	\$2,000
Bank Charges	\$150
Database Management	\$1,200
Director Expenses	\$4,300
Website Maintenance	\$1,200
Newsletter (2)	\$1,500
Postage / Freight	\$200
Auditor	\$1,650
eNews / Forage Seed News	\$4,400
GST Paid	\$750
 Subtotal:	 \$31,650

**Saskatchewan Forage Seed Development Commission
Budget 2015 / 2016**

For the Period July 1, 2015 to June 30, 2016

	2015/16 <u>Budget</u>
Research	
Weed Control in Grasses NARF	\$2,000
Weed Control in Legumes NARF	\$8,500
Fertility in Grasses NARF (copper)	\$600
Fertility Research	\$4,000
Weed Control U of S	\$10,000
Plant Breeding U of S	\$2,500
Other Research	\$5,000
SK Forage Network	\$5,000
ADOPT - Companion Crop	\$2,000
ADOPT - Fungicides on Grasses	\$1,400
ADOPT - Red Clover Leaf Weevil	\$500
ADOPT - New projects	\$7,000
Subtotal:	\$48,500
Total Expenses	\$80,150
NET INCOME	-\$28,750

Approved July 21, 2015



Planned Programs and Activities for 2015-2016 Saskatchewan Forage Seed Development Commission

- Research Program
 - Continue research program at Northeast Agriculture Research Foundation (NARF) at Melfort, SK
 - Expand Minor Use program with The Weed Control Program at University of Saskatchewan to begin herbicide tolerance testing
 - Complete ADOPT-funded projects. Apply for new ADOPT projects
 - Provide financial support to forage seed plant breeding projects at The Crop Development Centre, University of Saskatchewan
 - Collaborate with the Saskatchewan Forage Network to leverage funds for new forage research projects and promote increased research in forage crops
- Hold Forage Seed Field Tour – July 2015
- Publish two issues of *Prairie Seeds Newsletter*
- Contribute articles to *eNews* – Saskatchewan Forage Council’s email newsletter
- Provide *Forage Seed News Magazine* to current levy payers
- Update the SFSDC Website on a regular basis
- Work with Saskatchewan Agri-Food Council to update SFSDC Board Orders
- Maintain SFSDC Grower Database as required by the SFSDC Regulations
- Provide input to the Agriculture and Agri-Food Canada minor use priority program
- Provide input to Saskatchewan Agriculture to develop forage variety testing system
- Collaborate with Forage Seed Canada on prairie-wide forage seed issues
- Work with Saskatchewan Crop Insurance Corp to investigate possible crop insurance for individual forage seed crops
- Host Grower Information Workshop – December 2015

Milton & Associates CHARTERED PROFESSIONAL ACCOUNTANTS

To the Members of
Saskatchewan Forage Seed Development Commission

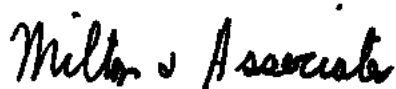
We have made an examination to determine whether Saskatchewan Forage Seed Development Commission complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding of assets, spending, revenue-raising, borrowing and investing activities during the year ended June 30, 2015:

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, 2015.



Chartered Professional Accountants

October 29, 2015

Milton & Associates CHARTERED PROFESSIONAL ACCOUNTANTS

To the Members of
Saskatchewan Forage Seed Development Commission

We have audited Saskatchewan Forage Seed Development Commission's control as at June 30, 2015 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 Professional Accountants (CICPA) 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 CICPA 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 CICPA. 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, 2015 based on the CICPA criteria of control framework.

Mulla & Associates

Charter Professional Accountants

October 29, 2015

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, 2015 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, 2015, 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 Professional Accountants

November 01, 2015

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

BALANCE SHEET

JUNE 30, 2015

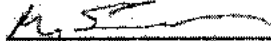
ASSETS

	2015	2014
CURRENT		
Cash (note 3)	\$ 209,735	\$ 200,022
Accrued interest receivable	\$ 1,678	
Levies receivable	<u>25,624</u>	<u>30,028</u>
	<u>\$ 237,037</u>	<u>\$ 230,050</u>

LIABILITIES AND SURPLUS

CURRENT		
Accounts payable	\$ 348	\$ 539
SURPLUS		
Unappropriated	<u>236,689</u>	<u>229,511</u>
	<u>\$ 237,037</u>	<u>\$ 230,050</u>

Approved on behalf of the Board



MARCEL ENNS Director

Director

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND UNAPPROPRIATED SURPLUS

YEAR ENDED JUNE 30, 2015

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Levies	\$ 40,000	\$ 49,340	\$ 59,801
Less levy refunds	<u>(2,000)</u>	<u>(348)</u>	<u>(2,870)</u>
	38,000	48,992	56,931
Grants	15,600	11,592	26,870
Other	1,000	4,088	5,544
Investment	<u>2,500</u>	<u>2,995</u>	<u>3,096</u>
	<u>57,100</u>	<u>67,667</u>	<u>92,441</u>
 EXPENDITURE			
Administration	11,000	10,614	10,313
Advertising and promotion	1,000	-	2,004
Annual general meeting	1,000	803	3,725
Bank charges	150	123	103
Database management	1,200	980	822
Directors' expenses	3,500	4,246	2,074
Directors' meetings	500	4,400	326
Directors' and officers' liability insurance	1,100	975	975
E-News and Forage Seed News	4,400	3,596	4,022
Forage Seed Canada	700	854	539
GST	1,000	662	616
Newsletter	1,500	1,132	1,185
Postage	200	122	107
Professional fees	1,500	1,444	1,365
Website design and maintenance	1,200	955	921
Research			
Weed control in grasses (NARF)	7,500	3,200	6,450
Weed control in legumes (NARF)	7,500	6,410	6,630
Fertility research	5,000	-	-
Fertility trial in grasses (NARF - copper)	500	2,840	1,960
Red clover case bearer	-	-	1,000
Sk Forage Network	5,000	5,000	5,000
ADOPT 20130350 desiccant red clover	1,400	179	3,530
ADOPT 20130351 leaf weevil red clover	-	-	1,600
ADOPT 20130352 companion crops	5,600	5,637	4,845
ADOPT 20130355 weeds in grasses	1,400	680	5,510
ADOPT 20130356 weeds in legumes	1,400	1,983	4,320
ADOPT 20140338 fungicide in grasses	5,000	3,344	-
Other	<u>10,000</u>	<u>310</u>	<u>-</u>
	<u>80,250</u>	<u>60,489</u>	<u>69,942</u>
 SURPLUS (DEFICIT) FOR THE YEAR	 \$ (23,150)	 7,178	 22,499
 UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR		 <u>229,511</u>	 <u>207,012</u>
 UNAPPROPRIATED SURPLUS, END OF YEAR		 <u>\$ 236,689</u>	 <u>\$ 229,511</u>

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2015**

	2015	2014
OPERATIONS		
Cash receipts	\$ 69,970	\$ 82,911
Cash disbursements	(61,451)	(76,593)
Investment revenue	1,317	3,096
Bank charges and interest	<u>(123)</u>	<u>(103)</u>
INCREASE (DECREASE) IN CASH	9,713	9,311
CASH, BEGINNING OF YEAR	<u>200,022</u>	<u>190,711</u>
CASH, END OF YEAR	<u>\$ 209,735</u>	<u>\$ 200,022</u>

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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-Food 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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3 CASH

	2015	2014
Operating accounts	\$ 20,440	\$ 11,976
Savings account	8,250	151,058
Term deposits	<u>181,045</u>	<u>36,988</u>
	<u>\$ 209,735</u>	<u>\$ 200,022</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 BUDGETED FIGURES

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

SASKATCHEWAN FORAGE SEED DEVELOPMENT COMMISSION

EXPENDITURE BY OBJECT

YEAR ENDED JUNE 30, 2015

	2015	2014
PERSONAL		
Ray McVicar	\$ 17,307	\$ 17,316
D. Maxwell	1,467	-
J. Silcox	1,341	
Payees under \$1,000	<u>1,523</u>	<u>2,572</u>
	<u>21,638</u>	<u>19,888</u>
SUPPLIERS		
Levy refunds	539	2,870
Electthink	3,195	-
Manitoba Forage Seed Association	3,248	3,698
Milton & Associates	1,513	1,430
Prairie Orchid Media	1,001	1,977
Payees under \$1,000	<u>3,076</u>	<u>2,571</u>
	<u>12,572</u>	<u>12,546</u>
RESEARCH		
Northeast Agricultural Research Foundation	21,319	33,878
Sk Forage Council	5,500	5,500
University of Alberta	-	1,000
Payees under \$1,000	<u>400</u>	<u>-</u>
	<u>27,219</u>	<u>40,378</u>
	<u>\$ 61,429</u>	<u>\$ 72,812</u>