



Saskatchewan Beekeepers Development Commission

103-1<sup>st</sup> Ave. N., Box 249, Big River, SK S0J 0E0 306-314-9571

[rtangle@sasktel.net](mailto:rtangle@sasktel.net) [www.saskbeekeepers.com/devcomm](http://www.saskbeekeepers.com/devcomm)

# 2013 SBDC ANNUAL REPORT



# Saskatchewan Beekeepers Development Commission

Box 249, 103 1<sup>st</sup> Ave N, Big River, SK S0J 0E0 306.314-9571

[info@saskbeekeepers.com](mailto:info@saskbeekeepers.com)

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## Board of Directors List for the fiscal year ending December 31, 2013

Pres/Chair (Jan 1-Feb 4/13) Vice Chair (Mar 6 – Dec 31/13)	<b>Joe Edwards</b> Box 104, Ridgedale, SK S0E 1L0 306-873-4441	Serving 1 <sup>st</sup> year of 3 year term
Vice-Chair (Jan 1 – Feb 4/13) Acting Pres/Chair (Feb 4-Mar 6/13)	<b>Corey Bacon</b> Box 84 Kinistino, SK S0J 1H0 306-864-3774	Serving 3 <sup>rd</sup> year of 3 year term
Director (Feb 19-Sept 30/13) Pres/Chair (Sept 30-Dec 31/13)	<b>Barry Brown</b> 521 Mt. Allison Pl. Saskatoon, SK S7H 2A9 306-374-8880	Serving 1 <sup>st</sup> year of 3 year term
Director	<b>Danny Valleau</b> Box 7, Aylsham, SK S0E 0C0 306-862-4094	Serving 2 <sup>nd</sup> year of 3 year term
Director	<b>Danny Wasylenchuk</b> R.R. 2 Canora, SK S0A 0L0 306-792-4764	Serving 3 <sup>rd</sup> year of 3 year term
Director (Jan 1-Mar 6/13) Pres/Chair (Mar 6-Sept 21/13)	<b>Mark Knox</b> Box 2653 Nipawin, SK, S0E 1E0 306-862-5657 Fax: 306-862-9495	Serving 2 <sup>nd</sup> year of 3 year term (resigned Sept 21/13)



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for the fiscal year 2014, beginning at February 28, 2014 AGM

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Director	<b>Danny Wasylenchuk</b> R.R. 2 Canora, SK S0A 0L0 306-792-4764	Serving 1 <sup>st</sup> year of 3 year term
Director February 28/14	<b>Shane Clark</b> 106 Chubb Cove Saskatoon, SK S7T 0E7 306-649-4294	Serving 3 <sup>rd</sup> year of Mark Knox' 3 year term
Director (Jan 1-Mar 6/13) Pres/Chair (Mar 6-Sept 21/13)	<b>Mark Knox (replaced by Shane Clark)</b> Box 2653 Nipawin, SK, S0E 1E0 306-862-5657 Fax: 306-862-9495	Serving 2 <sup>nd</sup> year of 3 year term (resigned Sept 21/13)

## **Saskatchewan Beekeepers Development Commission**

President's Report 2013-2014 - Dr. F. Barry Brown February 28, 2014

Welcome to our 2014 Annual General Meeting of the Saskatchewan Beekeepers Development Commission. First, let me thank you for attending today, and furthermore for supporting our Commission throughout the past year. The Board is grateful for your support and for letting your levy remain with the Commission.

This is my third meeting as President of SBDC having accepted the position of President to serve out Mark Knox's term who resigned due to health related issues.

I am in my first year as an SBDC Director after a year's absence from the Board. I served for two years previously as a Director on the Board and during 2011-2012 as Board President. It is an honour to once again have the opportunity to work with SBDC and I wish to thank Mark Knox for his work with the Commission during his role as President throughout the past year.

I accepted the position of President of SBDC last November and will introduce myself and reflect on my upcoming term. I have kept bees for 41 years and am currently a small commercial beekeeper in the Saskatoon/Langham area. I operate between 300 and 800 hives depending on the vagaries of the varroa mite. I'm retired as Professor Emeritus from the University of Saskatchewan. My academic career was mainly in the area of communication and I hope I can bring this strength to the Commission.

My primary goal during my term as President is to establish good information sharing with our Commission members and promote projects that have a local flavour and that will benefit our membership and industry in general.

SBDC is an enthusiastic supporter of the work of the Technology Adaptation Team (TAT) and has supported several worthy projects since its inception. SBDC has supported research endeavours in the past and is currently positioning to support two major research programs that have the potential to reap great benefits for our industry. SBDC has initiated measures to increase the visibility of our industry to the public. We must maintain high visibility with the public as the price of honey seems to be soaring and the cost to the consumer is rising. We must ensure that the quality and nutrients of pure Canadian (and Saskatchewan) honey make it the sweetener of choice in the households of Canada and the world.

Reflecting on the following goals and purposes of the Commission, it is apparent that SBDC has a mandate to make a difference in the production, distribution and sales of our unique product.

The Saskatchewan Beekeepers Development Commission's role is to administer the Beekeepers Development Plan. The purpose of the Beekeepers Plan is to develop the bee and bee products industry in Saskatchewan.

The specific purposes of the plan are to:

- ☑ assist in the development and promotion of bees and bee products in the domestic and international marketplaces;
- ☑ conduct and encourage research on:
  - (i) the production, market development and processing of bees and bee products; and
  - (ii) the consumption of bee products;
- ☑ develop procedures to maximize returns to registered beekeepers;
- ☑ advise governments on matters pertaining to bees and bee products research and development;
- ☑ gather, compile and distribute information related to the production, consumption and market development of bees and bee products;
- ☑ encourage the production of uniformly high-quality bees and bee products;
- ☑ promote harmony and communication within the bee and bee products industry;
- ☑ initiate and implement advertising programs, sales promotion programs and consumer education programs to expand awareness and demand for bees and bee products;
- ☑ establish a system of collecting check-offs on the production, marketing or production and marketing of bees and bee products for the purpose of carrying out the objectives of the beekeepers plan; and
- ☑ work in co-operation with any persons or organizations that have objectives similar to those of the beekeepers plan.

Request for Funding is straightforward, and I ask that each of you carefully consider how you could enhance beekeeping in Saskatchewan by seeking funding and carrying out a project, no matter how small or large. The SBDC Board will consider all requests.

Project proposals should be submitted to the SBDC by September 30th. Projects are to be completed within one year, although multiple year applications will be considered. Please submit an electronic version and one hard copy to the SBDC Office (**Pam Yule**, Secretary/Treasurer ☑ 106-2nd Avenue South, ☑ Big River, Saskatchewan, CANADA ☑ S0J 0E0 ☑ [sbdc@saskbeekeepers.com](mailto:sbdc@saskbeekeepers.com)).

Now that the commercial message is out of the way I want to point out that my time on the SBDC Board has been a valuable education for me and I hope more of you will see fit to take your turn on this Board as we attempt to overcome problems facing beekeeping. Positions on the Board arise every year and I hope when the nomination forms arrive in your mail or email that you seriously look at making a contribution to Saskatchewan beekeeping by seeking a Board position.

The SBDC Board has met on six occasions during 2013 and two during 2014 and has participated in TAT Steering Committee meetings. Face-to-face meetings are kept to

a minimum as most of our business can be conducted via the Internet or teleconference. During the upcoming year we hope to further initiate electronic communication with more of our members, while not neglecting those members who wish to maintain regular post office mail.

The Board is in the process of providing additional support to two major Agricultural Development Fund (ADF) awards to the Saskatchewan Beekeepers Association's Technology Adaptation Team TAT and to Dr. Albert Robertson, Meadow Ridge Enterprises Ltd.

The TAT project involves a team that will be working on alternative miticides, virus testing at different time regimens, testing Deformed Wing Virus strains, and a nucleus production and productivity component. The Team hopes to bring alternative synthetic miticides to a point where they could be used commercially. TAT will set up colonies and test for viral loads over an 18-month period. The Team will run nucleus production and productivity experiments to determine an optimum time, size and treatment plan for nucs.

The objective of the Robertson project is to propagate, maintain and improve productive and varroa tolerant Saskatraz families. This will be approached by selecting for Varroa Sensitive Hygiene traits in Saskatraz stock selected for honey production and varroa resistance using recurrent natural selection and new close population mating procedures (single colony mating apiaries) combined with instrumental insemination. Newly discovered biomarker tools will be used to identify and validate biomarkers for increased honey production, varroa tolerance and virus resistance(immune) lines. SBDC will provide support for a pesticide toxin- testing component.

Other projects supported by SBDC include: Brochure project, Regina Bee Club, Harris Project, Entomological Society of Canada, continued support of the TAT truck lease and communication measures.

Promoting the value of the honeybee to agriculture and society has been a continued SBDC Board thrust. Vanishing bee population is a global concern that threatens the delicate balance of our food supply. Awareness of the plight of the honeybee is increasing at all levels, and solutions to the problems facing the industry will require the joint effort of the beekeeper, farmer, scientist and government. The honeybee decline is directly affecting honey production and pollination and thereby affecting our livelihood and the food supply locally and globally.

The SBDC Board is attacking the problem on several fronts. Practical and applied research into problems affecting our Saskatchewan situation is in the forefront.

The worldwide decline of honeybee populations cannot be attributed to a single "smoking gun". The general consensus from available research is that multiple

factors are associated with the decline. Factors such as varroa mites, wintering, nosema, viruses, nutrition, pesticides, and weather are in the forefront of issues causing the death of our honeybees. The continuing project "Saskatchewan Beekeepers Adapting Technology to Meet their Needs: Hive Health, Colony Mortality and Productivity" is winding down and has made significant progress in identifying and coping with the many problems that face the industry. Past and present SBDC funding has played a role in progress made to this point.

The SBDC Board is delighted to be in a position to continue our support to new research initiatives made possible by award of major ADF funding to the TAT "Honey Bee Health: Management of Varroa Mites and Viruses" project and Albert Robertson's Meadowridge "The Saskatraz Project: The Saskatchewan Honey Bee Breeding and Selection Program". Both research projects are ramping up at this time.

SBDC is in good shape financially as will be evidenced in the Secretary/Treasurer's Report. Funding is available for practical or research projects that will benefit beekeeping locally in Saskatchewan. The Board invites you to consider submitting local projects for our review; we are committed to working with you to develop your project to a funding potential level.

The SBDC Board is continuously seeking ways to raise the visibility of problems facing bees and beekeeping in Saskatchewan and beyond, while at the same time, clearly indicating how SBA and SBDC are involved in solutions strategies aimed at solving the dilemma of our current bee mortality rate. We are exploring ways to extend our visibility and message at many of the agricultural and pesticide meeting and conference opportunities in the Province each year. We are an unpaid board of practicing beekeepers and often cannot drop everything to attend to public relations opportunities that arise. We invite your thoughts on how we can better address this issue.

To reiterate, I want to make it clear that we have resources to support more research, both large and small projects. We seem to have a dearth of proposals from a local standpoint and welcome Saskatchewan based inquires, projects and research proposals.

Please welcome Pam Yule who has recently assumed the position as SBDC Secretary/Treasurer, Shane Clark our recent new Board member, and returning board members Corey Bacon and Danny Wasylenchuk.

I conclude my remarks with the thought that SBDC experienced a turbulent, but relatively good year. Your Board has worked diligently to further understanding of the problems, successes and research issues facing Saskatchewan beekeepers.

I have enjoyed my work with SBDC and my current short term as your President. I will endeavour to stay connected with our membership and the many Saskatchewan

beekeeper friends I've met and hope to meet as a Board member.

Respectfully submitted,

Dr. F. Barry Brown, President  
Saskatchewan Beekeepers Development Commission  
February 28, 2014




## Reporting Standards Certification

I, certify that the following required documents have been completed and are included with the annual report:

1. Financial Statements Audit Report;
2. Internal Control Audit Report;
3. Legislative Compliance Audit Report;
4. Budget to Actual Comparison; and
5. Payee List.

As well, all of these documents have been submitted to the Agri-Food Council within one week following the agency's Annual General Meeting.

  
\_\_\_\_\_  
Audit Chair

*Feb 23 / 14*  
\_\_\_\_\_  
Date

*SK Beekeepers Development Commission*  
\_\_\_\_\_  
Agency (Development Commission, Development Board or Marketing Board)

*Failure to sign and date this certification will result in the council not accepting your annual report submission and could lead to subsequent disciplinary actions.*

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**FINANCIAL  
STATEMENTS**

**Saskatchewan Beekeeper's  
Development Commission**

**Year Ended December 31, 2013**

# Saskatchewan Beekeeper's Development Commission

Regina, Saskatchewan

December 31, 2013

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## Independent Auditors' Report

To the Board of Directors  
Saskatchewan Beekeeper's Development Commission

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Saskatchewan Beekeeper's Development Commission, which comprise the Statement of Financial Position as at December 31, 2013, and the Statements of Operations, Changes in Net Assets 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 from material misstatement.

An audit involves 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, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Beekeeper's Development Commission as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow PQ LLP

Per: *Mandy P...* CA

Yorkton, SK  
February 26, 2014

# Saskatchewan Beekeeper's Development Commission

Regina, Saskatchewan

Statement of Financial Position as at December 31, 2013

	2013	2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	74,630	55,218
Short-term investments - note 4	100,441	93,980
Accounts receivable - note 5	24,934	871
	<u>200,005</u>	<u>150,069</u>
<b>Capital Assets - note 6</b>	<u>32,094</u>	<u>30,360</u>
	<u>\$ 232,099</u>	<u>\$ 180,429</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued liabilities - note 8	4,330	13,895
Deferred revenue - note 7	1,144	1,100
	<u>5,474</u>	<u>14,995</u>
<b>Net Assets</b>		
Invested in capital assets	32,094	30,360
Internally-restricted net assets	31,244	32,774
Unrestricted net assets	163,287	102,300
	<u>226,625</u>	<u>165,434</u>
	<u>\$ 232,099</u>	<u>\$ 180,429</u>

Approved on behalf of the board:

\_\_\_\_\_

**Saskatchewan Beekeeper's Development Commission**

Statement of Changes in Net Assets  
For the year ended December 31, 2013

	Invested in Capital Assets	Internally- Restricted Net Assets	Unrestricted Net Assets	2013 Total	2012 Total (Note 13)
Balance, beginning of year	30,360	32,774	102,300	165,434	124,622
Excess (deficiency) of revenue over expenses for the year	( 2,666)		63,857	61,191	40,813
Transfer from unrestricted to restricted - note 10	<u>4,400</u>	<u>( 1,530)</u>	<u>( 2,870)</u>		
Balance, end of year	<u>\$ 32,094</u>	<u>\$ 31,244</u>	<u>\$ 163,287</u>	<u>\$ 226,625</u>	<u>\$ 165,435</u>

*The notes to financial statements are an integral  
part of these financial statements.*

## Saskatchewan Beekeeper's Development Commission

### Statement of Operations

For the year ended December 31, 2013

	Budget	2013	2012 (Note 13)
<b>Revenue</b>			
Producer check-off fees	70,000	65,337	70,198
Less: Producer check-off refunds		<u>2,686</u>	<u>3,884</u>
	<u>70,000</u>	<u>62,651</u>	<u>66,314</u>
Registration fees	2,500	2,250	2,775
Investment income received	3,000	3,320	2,888
Investment income - realized gains (losses)			199
Investment income - unrealized gains (losses)		3,141	2,708
Lease interest		73	219
Truck lease income	12,000	12,000	12,000
Calendar sales			<u>56</u>
	<u>87,500</u>	<u>83,435</u>	<u>87,159</u>
<b>Expenses</b>			
Administrator's fees	3,900	3,596	3,900
Amortization	3,000	2,666	2,470
Bad debt		25	
Board of directors	4,000	3,044	3,039
Business and annual meetings	2,000		1,562
Election and nomination expenses	500	250	
General and administration	1,600	2,182	1,625
Honey promotion brochures and pamphlets	5,000	690	1,850
Insurance		789	
Member communications	2,800	927	2,599
Promotions and research			1,187
Professional fees	2,500	4,290	3,510
Sea Can transportation and maintenance		1,780	
Vehicle	1,700		
Website	400		314
Projects, contributions and donations:	50,000		
Saskatchewan Beekeepers' Association CAAP project S2-C	10,000		10,000
Saskatchewan Beekeepers' Association CAAP project S62-C			11,070
Saskatchewan Beekeeper's Association CAAP project S78-C		1,605	
Regina and District Bee Club	2,500	400	2,500
Ag in the Classroom	<u>1,500</u>		<u>720</u>
	<u>91,400</u>	<u>22,244</u>	<u>46,346</u>
<b>Excess (Deficiency) of Revenue Over Expenses for the Year</b>	<u>\$ ( 3,900)</u>	<u>\$ 61,191</u>	<u>\$ 40,813</u>

*The notes to financial statements are an integral  
part of these financial statements.*

## Saskatchewan Beekeeper's Development Commission

Statement of Cash Flows  
For the year ended December 31, 2013

	2013	2012 (Note 13)
<b>Cash Provided By (Used In):</b>		
Operations		
Excess of revenue over expenses for the year	61,191	40,813
Add items not requiring cash resources		
Amortization	2,666	2,470
Loss (gain) on disposal of short-term investments		( 199)
Fair value adjustment on held-for-trading investments	( 3,141)	( 2,708)
Net change in working capital	<u>( 33,584)</u>	<u>11,641</u>
	<u>27,132</u>	<u>52,017</u>
Investing activities		
Capital asset purchases	( 4,400)	
Additions to short-term investments	( 3,320)	( 2,888)
Proceeds on disposal of short-term investments		5,000
	<u>( 7,720)</u>	<u>2,112</u>
<b>Net Cash Increase for the Year</b>	19,412	54,129
Cash position, beginning of year	<u>55,218</u>	<u>1,089</u>
<b>Cash Position, End of Year</b>	<u>\$ 74,630</u>	<u>\$ 55,218</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 74,630</u>	<u>\$ 55,218</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	( 24,063)	( 163)
Increase (decrease) - other current liabilities	<u>( 9,521)</u>	<u>11,804</u>
	<u>\$( 33,584)</u>	<u>\$ 11,641</u>

*The notes to financial statements are an integral  
part of these financial statements.*



## Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements  
For the year ended December 31, 2013

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### 1. Nature of Operations

The organization was established March 24, 2006 under the The Beekeepers Development Plan Regulations (the Regulations), under the authority of The Agri-Food Act, 2004. The purpose of the organization is to develop the bee and bee products industry in Saskatchewan by engaging in research and development projects intending to develop and improve market opportunities, production methods and product quality. The organization is not subject to income tax.

### 2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accounting policies as summarized below:

#### (a) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

#### (b) Capital assets

Tangible capital assets are recorded at cost less accumulated amortization.

The assets are amortized on a straight-line basis over their estimated service lives using the following rates:

Pierre the Bear	10 years
Vehicle held for leasing	15 years

In the year of purchase or disposal, capital assets are amortized based on the number of months available for use.

When a capital asset no longer has any long-term service potential, the excess of its net carrying amount over its residual value is recognized as an expense in the statement of operations.

#### (c) Revenue

Under the Regulations, each commercial beekeeper is required to pay the organization a \$25 registration fee, plus a check-off fee of \$1.00 per colony in production. Producers may request a refund for check-off fees paid in the year by submitting a written request between June 7 and June 30 of the calendar year to which the check-off fees apply.

Producer check-off fees and registration fees are recognized when they become receivable from the producers and collection is reasonably assured. Refunds are recognized as requested by producers.

Lease revenues are recognized monthly on an accrual basis as lease payments are receivable as per the lease contract.

Investment income comprised of interest from cash and fixed income investments are recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest method.

## Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements  
For the year ended December 31, 2013

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### 2. Significant Accounting Policies - continued

#### (d) Financial instruments

##### *Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

#### (e) Estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Significant estimates have been made regarding the estimated useful service lives of capital assets.

### 3. Financial Risks

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the reporting date. The terms and conditions affecting the financial instruments are:

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization does not have a significant exposure to this risk.

#### (b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

## Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements  
For the year ended December 31, 2013

### 4. Short-Term Investments

Short-term investments consist of mutual funds held at the Royal Bank of Canada. This investments are measured at fair value. The cost of these investments as at December 31, 2013 was \$93,250 (2012 - \$89,930).

	2013	2012
<b>5. Accounts Receivable</b>		
Accounts receivable are comprised of the following items:		
Accounts receivable	24,934	544
Direct financing lease receivable	<u>          </u>	<u>327</u>
Total	<u>\$ 24,934</u>	<u>\$ 871</u>

In the 2010 year, the organization entered into a lease agreement with the Saskatchewan Beekeepers' Association CAAP Project Number S2-C to lease a computer. The lease qualifies as a direct financing lease, and is calculated using a discounted cash flow method whereby the total initial principal receivable has been equated to the cost of the leased computer. Excess payments receivable are amortized to income over the life of the lease as lease interest income using the effective interest rate inherent in the lease payments. The term of the lease ran from August 1, 2010 to September 13, 2013 with monthly lease payments of \$50.

### 6. Capital Assets

Cost		
Pierre the Bear	4,150	4,150
Storage container	4,400	
Vehicle held for leasing	<u>30,818</u>	<u>30,818</u>
	<u>39,368</u>	<u>34,968</u>
Accumulated amortization		
Pierre the Bear	2,283	1,868
Storage container	196	
Vehicle held for leasing	<u>4,795</u>	<u>2,740</u>
	<u>7,274</u>	<u>4,608</u>
Net book value	<u>\$ 32,094</u>	<u>\$ 30,360</u>

### 7. Deferred Revenue

During the 2011 fiscal year, the organization entered into a lease agreement with the Saskatchewan Beekeeper's Association CAAP project to lease a vehicle. The lease qualifies as an operating lease. The term of the lease will run from September 1, 2011 to August 31, 2014 with monthly lease payments of \$550 from September 1, 2011 to December 31, 2011 and \$1,000 from January 1, 2012 to August 31, 2014. Deferred revenue consists of two months' prepaid lease payments.

## Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements  
For the year ended December 31, 2013

	2013	2012
<b>8. Accounts Payable and Accrued Liabilities</b>		
Accounts payable and accrued liabilities are comprised of the following items:		
Accounts payable	2,030	11,595
Accrued liabilities	2,300	2,300
Total	\$ 4,330	\$ 13,895

**9. Internally-Restricted Net Assets**

The organization has internally-restricted net assets in order to improve its ability to participate in projects requiring significant funding in future years as the opportunity arises. Management requires the Board of Directors' approval to use the funds from these restricted assets.

**10. Interfund Transfers**

During the year the organization transferred \$4,400 from unrestricted net assets to invested in capital assets for the purchase of a storage container.

Additionally, \$1,530 was released from internally-restricted net assets to unrestricted net assets pursuant to a standing board motion governing the maximum value of the internally-restricted net assets.

**11. Transactions with Related Parties**

Included in these financial statements are transactions with related parties. These related parties include the Saskatchewan Beekeeper's Association (SBA). These parties are related by virtue of common directors on their respective Boards of Directors. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Certain transactions with the Saskatchewan Beekeeper's Association are by virtue of a cost sharing arrangement between the two organizations for costs relating to joint board meetings, office expenses and member communications. These transactions are recorded at the rates charged by the SBA, which are equal to the Saskatchewan Beekeeper's Development Commission's portion of the rates charged to the SBA by the third party suppliers.

The organization also provides financial support to projects administered by the Saskatchewan Beekeeper's Association, which are itemized in the Statement of Operations.

## Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements  
For the year ended December 31, 2013

### 11. Transactions with Related Parties - continued

Transactions with related parties and relates balances not otherwise itemized in these financial statements are as follows:

Financial Statement Accounts	2013	2012
<b>Assets</b>		
Accounts receivable (SBA)	\$ 22,000	\$ 544
<b>Liabilities</b>		
Accounts payable (SBA)	1,375	15,519
Accounts payable (Board of Directors)	655	1,076
<b>Revenue</b>		
Clothing revenues		544
Truck Lease	12,000	12,000
<b>Expenses</b>		
Board of Directors		604
Business and annual meetings		1,080
CAAP projects	1,605	21,070
General and admin	754	822

### 12. Commitments

The organization has committed to a \$20,000 annual contribution for three years to the Saskatchewan Beekeeper's Association's TAT project #20130111, entitled "Honey Bee Health: Management of Varroa Mites and Viruses, starting in the next fiscal year.

The organization has also committed to support a project entitled "Productive Fall Colony Management - Colony Establishment." Project support to a maximum of \$22,500 has been committed, pending the applicant's necessity of the funds.

### 13. Comparative Figures

The comparative financial statements have been restated to recognize an overstatement of donations in 2011, and a related overstatement in accounts payable at the end of 2012. As a consequence, opening and closing net assets of the prior year has been increased by \$5,000, and accounts payable of the prior year has been decreased by \$5,000.



**Independent Auditors' Report on Internal Control**

To the Board of Directors  
Saskatchewan Beekeeper's Development Commission

We have audited the Saskatchewan Beekeeper's Development Commission's control as of December 31, 2013 to express an opinion as to the effectiveness of its control related to the following objectives:

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

We used the control framework developed by the Canadian Institute of Chartered Accountants (CICA) to make our judgments about the effectiveness of Saskatchewan Beekeeper's 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 organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

Saskatchewan Beekeeper's Development Commission's management is responsible for effective control related to the objectives described 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 the CICA. Those standards require that we plan and perform an audit to obtain reasonable assurance as to the effectiveness of Saskatchewan Beekeeper's 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.

We noted the following instances where controls were found not to be effective:

- The organization lacks formal policies and procedures in place regarding administrative procedures and board oversight of management, and
- Communication of roles and responsibilities between the board and contracted administration was found to be insufficient.

In our opinion, except for the instances disclosed above, Saskatchewan Beekeeper's Development Commission's control was effective, in all significant respects, related to the objectives stated above as of December 31, 2013, based on the CICA criteria of control framework.

Control can provide only reasonable, not absolute, assurance of achieving objectives reliably for two reasons. First, there are inherent limitations in control including judgment in decision-making, human error, collusion to circumvent control activities and management overriding control. Second, cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance, 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 control activities may deteriorate.

Collins Barrow PQ LLP

Per: *Mandy Proulx CA*

Yorkton, SK  
February 24, 2014



**Report on Legislative Compliance**

To the Board of Directors  
Saskatchewan Beekeeper's Development Commission

We have made an examination to determine whether the Saskatchewan Beekeeper's Development Commission complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year of January 1, 2013 to December 31, 2013:

*The Agri-Food Act, 2004*  
The Beekeeper's Development Plan Regulations  
Commission Orders #01/06 to #07/09  
Agri-Food Council Order #02/11

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.

Per the Beekeepers Development Plan Regulations section 24, the commission is required to refund check-offs by October 31 to beekeepers who have made a written request on or after June 7 and on or before June 30 with respect to check-offs paid in that calendar year. We noted that check-off refunds were made after October 31 for refunds received in the current year.

In our opinion, with the exception of the matter reported above, the Saskatchewan Beekeeper's Development Commission has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year of January 1, 2013 to December 31, 2013.

**Collins Barrow PQ LLP**

Per: *Mandy Piro* CA

Yorkton, SK  
February 24, 2014

**SBDC 2014 BUDGET (includes 2013 Budget vs Actuals)**

	2013 ACTUALS		2013 BUDGET		2014 BUDGET	
	2013 sub accts	2013	2013 sub accts	2013 Budget	2014 sub accts	2014 Budget
<b>Income</b>						
4020 · Check Off Fees		65,337.00		70,000.00		70,000.00
4030 · Registration Fee		2,250.00		2,500.00		2,250.00
4040 · Investment Earnings						
40401 · Gains/Loss on Investment	3,141.34				2,500.00	
4040 · Investment Earnings - Other	3,319.77		3,000.00		2,500.00	
<b>Total 4040 · Investment Earnings</b>		6,461.11		3,000.00		5,000.00
4045 · Saskhoney.ca clothing income		164.00				0.00
4075 - Sea Can Lease - TAT Projects. See Note 1						
4065 Interest Income-Lease		72.90				
4075 · Dodge Truck Lease-TAT Projects. Note 2		12,000.00		12,000.00		9,000.00
<b>Total Income</b>		<b>86,285.01</b>		<b>87,500.00</b>		<b>86,250.00</b>
<b>Expense</b>						
5010 · Sec/Treasurer Fee		3,596.20		3,900.00		15,000.00
5015 · Sec/Treasurer Travel/Meals		276.06				1,500.00
5020 · Bank Charges		110.55				100.00
5025 · Office Expense/Postage		1,627.89		1,600.00		2,000.00
5026 · Electronic, AV eqpt, etc.		443.65				0.00
5027 · Website				400.00		300.00
5030 · Board Member Expenses						
50301 · Mileage	2,240.84				3,500.00	
5030 · Board Member Expenses - Other	526.72		4,000.00		500.00	
<b>Total 5030 · Board Member Expenses</b>		2,767.56		4,000.00		4,000.00
5031 · Insurance		789.00				789.00
5032 · Business/AGM Expense		0.00		2,000.00		1,000.00
5034 · Election & Nom'n Expenses		250.00		500.00		500.00
5035 · Newsletters & Mailouts		926.50		2,800.00		2,000.00
5040 · Annual Audit		4,290.00		2,500.00		4,000.00
5045 · Check Off Refund		2,850.00				2,850.00
5049 · Vehicle Expenses						
5050 · Truck License/Insurance	0.00		1,700.00		1,700.00	
<b>Total 5049 · Vehicle Expenses</b>		0.00		1,700.00		1,700.00
5051 · Sea Can Container expenses. Note 3.		1,780.00				500.00
5052 · Bad debts		25.00				
5058 · PR - Brochures, etc.		690.26		5,000.00		2,500.00
5061 · RESEARCH - Undefined. Note 4		0.00		50,000.00	see Note 3)	67,500.00
5064 · CAAP projects - contributions		1,605.00		10,000.00		0.00
5066 · Ag in the Classroom		0.00		1,500.00		1,500.00
5067 · Regina Bee Club Donations		400.00		2,500.00		3,500.00
5200 · Current Year Amortization		2,666.00		3,000.00		2,500.00
<b>Total Expense</b>		<b>25,093.67</b>		<b>91,400.00</b>		<b>113,739.00</b>
<b>Net Ordinary Income</b>		<b>61,191.34</b>		<b>-3,900.00</b>		<b>-27,489.00</b>

Note 1 - Seacan - no amount budgetted; however, Bd will work toward obtaining lease income in future.

Note 2 Potential income from new TAT project 20130111 Honey Bee Health (starting ~ Apr/14)

Note 3 Sea Can - snow removal and transport to current location for project use

(expense claim Graham Parsons, Project Lead)

Note 4 - all planned/potential project funding for 2014:

Harris project poss \$18k for 2013 & 4.5k upon final report 2014 - note Lloyd uncertain whether full funding required at this time (based o 22,500.00

Regina Bee Club - Agribition 2014 booth (assigned its own acct #) 3,500.00

TAT project 20130111 (Graham) \$20k/yr for 3 yrs 2014-2016 20,000.00

Saskatraz 20130110 (Albert) SK Honey Bee Breeding & Selection Program \$5k/yr for 3 yrs 2014-2016 (no Los or MoU yet) 5,000.00

Saskatraz "toxicology" sub-project, based on Albert's Request for Funding App \$20/yr for 3 yrs 2014-2016 (no LoS or MoU yet) 20,000.00

**TOTAL PROJECT COMMITMENT FOR 2014 BUDGET: 67,500.00**



SBDC BOARD EXPENSE DETAILED REPORT 2013 Annual Report

Date	Name	Memo	Account	Amount
12/31/2013	Barry Brown	Sept 30/13 SBDC mtg PA 301 k's	50301 · Mileage	136.40
12/31/2013	Barry Brown	Oct 25/13 TAT Steering Comm mtg PA 329 k's	50301 · Mileage	144.76
12/31/2013	Barry Brown	2 lunches for Sept 30 & Oct 25 mtgs (as above)	5030 · Board Member Expenses	28.00
	Total Barry Brown			309.16
	Dan Valleau			
1/13/2013	Dan Valleau	300 k's for Melfort Board mtg Jan 13/13	50301 · Mileage	142.50
2/28/2013	Dan Valleau	586 k's for Saskatoon ACS Mtg Jan 28/13	50301 · Mileage	316.44
2/28/2013	Dan Valleau	80 k's for SBDC Board mtg Nipawin Feb 28	50301 · Mileage	43.20
12/31/2013	Dan Valleau	June 2/13 180 k SJ Beez/Melfort - Board emergency meeting	50301 · Mileage	81.90
12/31/2013	Dan Valleau	June 22/13 180 k SJ Beez/Melfort - SBDC Bd mtg	50301 · Mileage	81.90
12/31/2013	Dan Valleau	Sept 29/13 400 k PA - SBA/SBDC joint mtg	50301 · Mileage	182.00
	Total Dan Valleau			847.94
	Danny Wasylenchuk			
1/31/2013	Danny Wasylenchuk	720 k's Agri-Food meeting Jan 28/13	50301 · Mileage	388.80
1/31/2013	Danny Wasylenchuk	Dinner Agri-Food mtg Jan 28/13 (no receipt)	5030 · Board Member Expenses	30.70
2/28/2013	Danny Wasylenchuk	776 k's AGM Bd mtg Feb 28/13	50301 · Mileage	419.04
2/28/2013	Danny Wasylenchuk	Accommodation AGM Bd mtg Feb 28/13 (no receipt)	5030 · Board Member Expenses	121.00
12/17/2013	Danny Wasylenchuk	528 k's for June 21/13 Field Day meeting - Melfort	50301 · Mileage	212.10
12/17/2013	Danny Wasylenchuk	Boston Pizza Melfort - dinner - June 21/13 Field Day meeting	5030 · Board Member Expenses	18.25
12/17/2013	Danny Wasylenchuk	Canalta Hotel Tisdale - June 21/13 Field Day meeting	5030 · Board Member Expenses	146.15
	Total Danny Wasylenchuk			1,336.04
	Joe Edwards			
2/13/2013	Joe Edwards	170 k's SBDC Mtg in Melfort Jan 13/13	50301 · Mileage	91.80
2/13/2013	Joe Edwards	Dinner for 4 - Receipt provided - (no names included)	5030 · Board Member Expenses	74.62
2/13/2013	Joe Edwards	Accommodation - TravelLodge - Receipt provided	5030 · Board Member Expenses	108.00
	Total Joe Edwards			274.42
	TOTAL			2,767.56