

Saskatchewan Beekeepers' Development Commission Annual Report - 2010

I would like to begin with some acknowledgments. First and foremost I thank all of you who have supported the Commission over the past by letting your remittance remain in the Commission. We are attempting to use this money prudently to support projects that we feel will help you, the beekeepers. Do all of our projects satisfy the needs and requirements of all beekeepers?? To that I must answer no. Some projects will be more inclined than others; but we hope that somewhere we will strike a balance. Are all our projects successful?? Again, the answer must be no. My philosophy has always been that it is better to have tried and failed than to have done nothing, for hopefully we learn through our failures. I would like to thank the board members that I have worked with over the past 4 years. It has been a bit of a struggle to get things up and running properly and there is definitely a learning curve to get things right. A special thanks to our Secretary/Treasurer Wink Howland who keeps the i's dotted and the t's crossed. Without Wink I would have flubbed things up a lot more than I have.

2009 saw the successful submission for a grant in excess of \$500,000 to develop a strategy for testing industry products and their viability in our specific geographical and climatic conditions. Both the SBA and the SBDC boards supported this initiative; the SBDC with a donation of \$10,000. This year we saw the beginnings of this with our TAT teams visiting some of your operations. Thanks to our TAT team and also to you for your support. It was a very trying year for the TAT team as there were several roadblocks in procuring our lead researcher. Hopefully we will be off to a better start this year. The SBDC also purchased a computer which was leased to the CAAP committee for recording research data.

The Regina Bee Club requested assistance to create an educational program for Grade 4 and to purchase educational materials for distribution at the Agribition booth. The Commission has provided \$781.00 for this project.

There have been some reported sightings of "Pierre the Bear" around the province. These have generally coincided with Agribition in Regina. Perhaps Pierre is a southern bear

In 2008 we received a submission from Rob Currie to support his research to develop effective and economical methods to reduce the impact of Varroa Destructor on honey bees under Canadian conditions and management systems. We have supported that project with a contribution of \$4000/year. The three year project ended this year.

The 3 year Saskatraz project, which began in 2007, has been supported by the SBDC with contributions of \$10,000/year for the duration of the research. The Saskatraz project has undergone some administrative changes for 2010 and is now under control of

private interests. The board felt that it was not mandated to distribute members contributions to a privately run enterprise.

Spearheaded by Barry Brown, the SBDC attempted to create a calendar for 2011 that could be distributed to the land owners in fall with our rent honey. The calendar features pollination and honey facts that would attempt to address beekeeper concerns of the availability of bee yard sites and concerns of land reclamation by the bulldozing of bush. The calendar did get finished, but there was a bit of a delay in the completion since Barry was committed to be away during a crucial time to finalize printing to get the calendar in the hands of beekeepers before the rent honey distribution was completed. Since a calendar is somewhat dated, we thought it better to put this on hold for another year rather than get it out late. Since it is relatively easy to change 2011 to 2012, we would ask that you contact one of the members regarding the numbers of calendars that you would like for the next fall. Remember that printing costs go down substantially as the number of calendars increases.

The new abbreviated version of the "The Honey Revolution" by Ron Fessenden, MD, MPH, and Mike McInnes, MRPS, is devoted to the value of honey for health and nutrition. The smaller edition is a little more "user friendly" and the SBDC has ordered a number of copies to distribute and sell to members. At \$5.00/book they are also affordable to distribute with our honey deliveries; however, they arrived a little to late for this year, not showing up until convention time. Another use that has been suggested is to put them into doctor's offices around the province, since they deal with health and honey. Distribution ends up being a bit of a problem. We could use your help in getting these into the medical clinics.

"National Pollinator Week"- U.S.- and the "Day of the Honey Bee"-Canada have come and gone without a lot of media hype. Some of your board members took time to attend this event in Sktoon. I am unsure of the reliability of the rumour that Pierre was sighted at this event.

Your President and the Secretary Treasurer attended a meeting in Regina in early December as requested by the board members of the Agri-food Council. Council was attempting to meet with all the commissioned Ag industries in Sask. It was a relatively casual affair, and it was interesting to be able to put faces to names. The board members asked about some of our activities and attempted to address some of our concerns; non-compliance issues heading the list. We were assured that they would look into this further on our behalf.

Previous to the SBDC board meeting before the December Convention we received another proposal from Rob Currie. The University of Manitoba, in conjunction with the Department of Entomology and the Manitoba Queen Breeders, has been involved in a Queen rearing program that is selecting for grooming behaviour. These releases have been used in the Saskatraz project and by other members in Saskatchewan. "There is strong evidence to suggest that we can select for enhanced resistance to viruses in addition to grooming behaviour and that our program with the MQBA has had some

initial success in this regard". "This project will build on success in breeding local stock that has been selected for 'resistance' to varroa in a cooperative project between the MQBA (members consist of queen producers from Saskatchewan and Manitoba) and the University of Manitoba. Due to the long term nature of the breeding project we are requesting a Five Year commitment at a level of \$5,000 per year". It was moved by the board that funding of \$5000 be provided to this project on an annual basis and that each year's advance be contingent upon receiving a research report for the previous years work.

The nomination deadline was Nov. 30, 2010. Only two applications were received for the two available positions. I would like to congratulate incumbent Corey Bacon and the newly successful candidate Dan Wasylenchuk. They will serve you well.

PROJECTS FOR 2011

Saskatchewan Beekeepers Development Commission will continue to support the projects which continue from 2010 as they meet requirements.

- The CAAP project with the TAT team will receive \$10,000
- The Regina Bee Club will likely continue to be supported as requested.
- Dr. Rob Currie will continue to receive the support of \$5000 when the research report is received or presented at the convention.
- Dr. Fessenden's book will be distributed to members and we will attempt to have copies placed in medical facilities throughout the province.
- Barry Brown's bee calendar will be published in 2011 and will be distributed to our beekeepers.
- Website costs will continue to be shared with the SBA.

The SBDC executive was contacted recently by Lynn from SEN-Saskatchewan Eco-network for a sponsorship of \$500 to help support their film festival which will be showing the "Vanishing of the Bees" in Saskatoon. The film festival will open on March 31st at the Princess Alexander School with a showing of "What's on Your Plate?" SEN will also have interviews with CTV and hopefully CBC. Margaret Atwood has been asked to appear at the showing of her film "In the Wake of the Flood". The board thought that it was extremely good exposure for minimal cost to support this initiative.

The Board has taken some initiative (to the tune of \$7000) to develop the production of promotional pamphlets for our industry. The pamphlets will be developed by Shirley Collingridge- "Wordsmith". Barry has volunteered to assist in proofing the pamphlet templates and Wink and I have also indicated that we will help as needed. The topics for the pamphlets are:

- 1. Honey and Sport**
- 2. Pollination Value of Bee Yards**
- 3. Honey and Health**

- 4. Bee Facts and Information**
- 5. Accurate Info on Bee Stings**
- 6. How to Get Started Keeping Bees**
- 7. Honey and Diabetes (factual support from Dr. Fessenden)**
- 8. Value of Pollinators in Agriculture**
- 9. Terminology – creamed, liquid, raw, etc. (honey)—a description of terms.**
- 10. Labeling – the importance of careful reading to determine accuracy.**

Recently there has been some concern on an ad campaign by Health Canada regarding Infant Botulism. Since there are no authenticated cases confirming this scenario we feel that our industry has been compromised. The board has been discussing whether or not it is prudent to take legal action.

On a final note I would like to take this opportunity to thank you for letting me chair these meetings for the past 4 years. I realize that it was only supposed to be 3, but since I was present at the inception it has ended up being somewhat longer. My reputation of being a “big spender” has no doubt caused some of you a little concern. I have tried not to be as free with your money as I find myself sometime being with mine. You have an accountable board that keeps a handle on those such as me. At the same time, however, the board from the Agri-food Council does not like their Commissions to amass large bank accounts. We have attempted to elicit proposals and to come up with ideas which will assist the development of the beekeeping industry in Saskatchewan and elsewhere in Canada. It has been an honour to serve you as President. Stepping down leaves a bitter-sweet taste. Thank you for your support.

This is my report for 2010
Tim Wendell - President

Saskatchewan Beekeepers' Development Commission

Disclosure of Payments for year ending December 31, 2010

Dr. Rob Currie	\$ 4,000.00	Research
MN/SK Queen Breeders	\$ 5,000.00	Research
SBA CAAP Project	\$10,000.00	Research
Regina Bee Club*	\$ 781.00	Promotion
Parkland Printers	\$ 1,307.75	Newsletter Publishing
Rhonda Bacon	\$ 460.00	Newsletter Editor
Wink Howland	\$ 480.00	Newsletter prep/mailing
Canadian Honey Council	\$ 3,007.05	Promotion (Pamphlets)
Wink Howland	\$ 3,900.00	Secretary/Treasurer
Tim Wendell	\$ 1,213.20	Travel Expense (Board)
Conrad Schultz	\$ 787.87	Website Development
Barry Brown	\$ 769.46	Poster Development

** The Regina Bee Club was also given approximately \$500.00 worth of pamphlets, purchased from the Canadian Honey Council, for distribution at next year's Agribition.*

SASKATCHEWAN
Newspaper's Development Commission
Board • P.O. Box 100 • Regina, Saskatchewan • S4N 1A1

Commission Board for the fiscal year ending December 31, 2010

President:	Tim Wendell Box 1439, Roblin, MB R0L 1P0	Serving third year of 3 year term 204-564-2315
Vice President	Calvin Parsons Box 44, Meskanaw, SK S0K 2W0	Serving first year of 3 year term 306-864-2632
Director	Corey Bacon Box 84 Kinistino, SK S0J 1H0	Serving third year of 3 year term 306-864-3774
Director	Joe Edwards Box 104, Ridgedale, SK S0E 1L0	Serving first year of 3 year term 306-873-4441
Director	Danny Valteau Box 7, Aylsham, SK S0E 0C0	Serving second year of 3 year term 306-862-4094
Director	Barry F. Brown 521 Mt. Alison Pl. Saskatoon, SK S7H 2A9	Serving second year of 3 year term 306-374-8880

**FINANCIAL
STATEMENTS**

**Saskatchewan Beekeeper's
Development Commission**

Year Ended December 31, 2010

Saskatchewan Beekeeper's Development Commission

Yorkton, Saskatchewan

December 31, 2010

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PARKERQUINE LLP
Chartered Accountants Business Advisors

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, 2010, 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 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, 2010, and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

PARKERQUINE LLP

Per: *Mandy P... CA*

Yorkton, SK
February 22, 2011

Saskatchewan Beekeeper's Development Commission

Yorkton, Saskatchewan

Statement of Financial Position as at December 31, 2010

	2010	2009
Assets		
Current Assets		
Cash and cash equivalents	919	8,055
Short-term investments - note 5	101,586	62,015
Leases receivable - note 6	1,009	
	<u>103,514</u>	<u>70,070</u>
Capital Assets		
Pierre the Bear	4,150	4,150
Less: Accumulated amortization	1,038	623
	<u>3,112</u>	<u>3,527</u>
	<u>\$ 106,626</u>	<u>\$ 73,597</u>
Liabilities and Net Assets		
Current Liabilities		
Accrued liabilities	<u>1,900</u>	<u>1,760</u>
Net Assets		
Invested in capital assets	3,112	3,527
Internally-restricted net assets - note 7	22,296	16,147
Unrestricted net assets	79,318	52,163
	<u>104,726</u>	<u>71,837</u>
	<u>\$ 106,626</u>	<u>\$ 73,597</u>

Approved on behalf of the board:

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

Saskatchewan Beekeeper's Development Commission

Statement of Changes in Net Assets For the year ended December 31, 2010

	Invested in Capital Assets	Internally- Restricted Net Assets	Unrestricted Net Assets	2010 Total	2009 Total
Balance, beginning of year	3,527	16,147	52,163	71,837	38,854
Excess (deficiency) of revenue over expenses for the year	(415)		33,304	32,889	32,983
Transfer from unrestricted to restricted		<u>6,149</u>	<u>(6,149)</u>		
Balance, end of year	<u>\$ 3,112</u>	<u>\$ 22,296</u>	<u>\$ 79,318</u>	<u>\$ 104,726</u>	<u>\$ 71,837</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, 2010

	Budget	2010	2009
Revenue			
Producer check-off fees	58,000	70,069	67,429
Less: Producer check-off refunds		<u>8,575</u>	<u>8,638</u>
	58,000	61,494	58,791
Registration fees	2,500	2,600	2,625
Investment income received	4,500	2,810	1,866
Investment income - realized gains (losses)		105	(2,464)
Investment income - unrealized gains (losses)		3,156	5,261
Lease interest		17	
Other			<u>325</u>
	<u>65,000</u>	<u>70,182</u>	<u>66,404</u>
Expenses			
Administrator's fees	3,900	3,900	3,900
Amortization	400	415	415
Board of directors	1,500	1,417	1,027
Business and annual meetings	1,750	1,981	1,704
Election and nomination expenses	375	75	273
General and administration	350	172	336
Honey promotion brochures		3,007	
Member communications	2,000	2,600	1,997
Other promotional products		1,147	
Professional fees	1,900	2,010	1,870
Website		788	
Projects, contributions and donations:	60,000		
Currie ACAAF research project		4,000	4,000
Saskatchewan Beekeepers' Association CAAP project		10,000	
Saskatchewan Beekeeper's Association Saskatraz project			10,000
Saskatchewan Beekeepers Association annual general meeting speaker expenses donation			1,114
Manitoba/Saskatchewan Queen Breeders project		5,000	
Regina and District Bee Club		781	2,500
American Honey Producers Association Anti-Dumping project			2,285
Committee for the Promotion of Health & Honey			<u>2,000</u>
	<u>72,175</u>	<u>37,293</u>	<u>33,421</u>
Excess (Deficiency) of Revenue Over Expenses for the Year	<u>\$ (7,175)</u>	<u>\$ 32,889</u>	<u>\$ 32,983</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, 2010

	2010	2009
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	32,889	32,983
Add items not requiring cash resources		
Amortization	415	415
Loss (gain) on disposal of short-term investments	(105)	2,464
Fair value adjustment on held-for-trading investments	(3,156)	(5,261)
Net change in working capital	<u>(869)</u>	<u>109</u>
	<u>29,174</u>	<u>30,710</u>
Investing activities		
Additions to short-term investments	(42,810)	(31,866)
Proceeds on disposal of short-term investments	<u>6,500</u>	<u>8,500</u>
	<u>(36,310)</u>	<u>(23,366)</u>
Net Cash Increase (Decrease) for the Year	(7,136)	7,344
Cash position, beginning of year	<u>8,055</u>	<u>711</u>
Cash Position, End of Year	<u>\$ 919</u>	<u>\$ 8,055</u>
Represented By:		
Cash and cash equivalents	<u>\$ 919</u>	<u>\$ 8,055</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	(1,009)	
Increase (decrease) - other current liabilities	<u>140</u>	<u>109</u>
	<u>\$(869)</u>	<u>\$ 109</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, 2010

1. Nature of Operations

The organization was established March 24, 2006 pursuant to 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.

2. Significant Accounting Policies

These financial statements are the responsibility of the organization's management and have been prepared in accordance with Canadian generally accepted accounting principles using the accounting policies as summarized below:

(a) Short-term investments

Short-term investments represent investments in mutual fund units. Short-term investments are classified as held-for-trading and reported at fair value. Income and gains and losses, both realized and unrealized, are reported as investment income.

(b) Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. The assets are amortized on a straight-line basis over their estimated service lives at the following rates:

Pierre the Bear	10 years
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In the year of purchase, capital assets are amortized based on months available for use.

(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.

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements
For the year ended December 31, 2010

2. Significant Accounting Policies - continued

(d) Government assistance

Government assistance in the form of operating grants is recognized as income in the year the grants are received.

(e) Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the organization 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.

3. Financial Instruments

Cash, investments, accounts payable and accrued liabilities are designated as held-for-trading financial instruments and are measured at fair value. The fair value of these financial instruments approximates their carrying amount because of the short-term nature of these instruments.

Investments are designated as held-for-trading financial instruments and are measured at fair value. The fair value of investments is determined by referring to published market prices in active markets.

Leases receivable are designated as loans and receivables and are measured at amortized cost.

Nature and Extent of Risks Arising from Financial Instruments

The company is exposed to a variety of financial risks that arise from owning financial instruments. These risks include interest rate risk, market risk and other price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price.

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, 2010

4. Capital Disclosure

The organization manages its capital with the goals of maintaining a responsible financial position allowing it to meet its goals and obligations. Capital consists of cash, short-term investments and net assets.

5. Short-Term Investments

Category	Valuation Basis	Cost 2010	Fair Value 2010	Cost 2009	Fair Value 2009
Held-for-Trading					
RBC Investments	Fair value	<u>\$ 100,373</u>	<u>\$ 101,586</u>	<u>\$ 63,959</u>	<u>\$ 62,015</u>

6. Lease Receivable

During the year, the organization entered into a lease agreement with the Saskatchewan Beekeepers' Association CAAP Project Number S2-C to lease a computer. The lease receivable 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 will run from August 1, 2010 to September 13, 2013 with monthly lease payments of \$50.00.

7. 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 Director's approval to use the funds from these restricted assets.

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements
For the year ended December 31, 2010

8. Related-Party Transactions

Included in these financial statements are transactions with related parties. These related parties include the Saskatchewan Beekeepers Association (SBA), who is related by virtue of common directors. Transactions with these related parties are in the normal course of operations. They are recorded at the standard rates charged by those organizations and are settled on the normal trade terms.

Certain transactions with the Saskatchewan Beekeepers 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 Beekeepers Development Commission's portion of the rates charged to the SBA by the third party suppliers.

The organization also provides donations to the Saskatchewan Beekeepers Association, which are itemized in the Statement of Operations.

Financial Statement Accounts	Terms or Conditions	2010	2009
Expenses			
Member communications	SBDC's portion of expenses	\$ 0	\$ 165
Board of Directors	SBDC's portion of expenses	214	268
Honey promotion	SBDC's portion of expenses	2,700	
General and administration	SBDC's portion of expenses	223	
Business and annual meetings	SBDC's portion of expenses	380	1,228

9. Commitments

The organization has committed to a \$10,000 contribution to the Saskatchewan Beekeepers Association's CAAP project for each of the next two fiscal years. The organization has also committed a \$5,000 contribution to the Manitoba/Saskatchewan Queen Breeders project for each of the next two years.

PARKERQUINE LLP
Chartered Accountants Business Advisors

Independent Auditors' Report

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, 2010 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.

In our opinion, Saskatchewan Beekeeper's Development Commission's control was effective, in all significant respects, related to the objectives stated above as of December 31, 2010, 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.

PARKERQUINE LLP

Per: *Mandy P... CA*

Yorkton, SK
February 14, 2011

PARKERQUINE LLP
Chartered Accountants Business Advisors

Auditors' Report

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, 2010 to December 31, 2010:

The Agri-Food Act, 2004
The Beekeepers Development Plan Regulations
Commission Orders #01/06 to #01/09

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, 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, 2010 to December 31, 2010.

PARKERQUINE LLP

Per: *Mandy P... CA*

Yorkton, SK
February 14, 2011



PARKER QUINE LLP

Chartered Accountants Business Advisors

When writing or telephoning please refer to: Mandy Price
Yorkton

January 17, 2011

ATTENTION: Mr. Wink Howland

Saskatchewan Beekeeper's Development Commission
Box 55, R.R. #3
Yorkton SK S3N 2X5

Dear Sir:

The purpose of this letter is to outline the terms of our engagement to audit the financial statements of Saskatchewan Beekeeper's Development Commission, which comprise the Statement of Financial Position as at December 31, 2010, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and accompanying notes.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Objective, Scope and Limitations

Our statutory function as auditor of Saskatchewan Beekeeper's Development Commission is to report to the members by expressing an opinion on Saskatchewan Beekeeper's Development Commission's annual financial statements. We will conduct our audit in accordance with Canadian generally accepted auditing standards and will issue an audit report.

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, whether due to error or fraud.

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. 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.

It is important to recognize that an auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of:

- factors such as use of judgment, and the use of testing of the data underlying the financial statements;
- inherent limitations of internal control; and
- the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

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YORKTON
310-41 BROADWAY STREET W.
YORKTON, SASKATCHEWAN S3N 0L6
306.783.8531 Business 306.786.6414 Facsimile

SASKATOON
201-500 SPADINA CRESCENT E.
SASKATOON, SASKATCHEWAN S7K 4H9
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Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit that is designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

Due to the inherent limitations of both internal controls and of audits, there is an unavoidable risk that some material misstatements may not be detected (particularly intentional misstatements concealed through collusion). These may occur even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

We will assess the internal controls separately from the procedures required in the financial statement audit in order to support our opinion on the compliance with authorities and the rules and procedures to safeguard and control assets.

Unless unanticipated difficulties are encountered, our report will be substantially in the following form.

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, 2010 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 generally accepted accounting principles 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.

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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 organization as at December 31, 2010 and the results of its operations and changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

At the conclusion of our audit of compliance with authorities, we will submit to you a report containing our opinion on such compliance. Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

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 period of January 1, 2010 to December 31, 2010:

The Agri-Food Act, 2004
The Beekeepers Development Plan Regulations
Commission Orders #01/06 to #01/09

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, the Saskatchewan Beekeeper's Development Commission has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the period of January 1, 2010 to December 31, 2010.

At the conclusion of our audit of rules and procedures to safeguard and control assets, we will submit to you a report containing our opinion on such rules and procedures. Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

We have audited the Saskatchewan Beekeeper's Development Commission's control as of December 31, 2010 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.

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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.

In our opinion, Saskatchewan Beekeeper's Development Commission's control was effective, in all significant respects, related to the objectives stated above as of December 31, 2010, 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.

Any specific restrictions on the use or intended users of the auditors' report, and statements (if appropriate) about the specific restrictions will be set out in the auditors' report.

If our opinion on the financial statements is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form, or have not formed, an opinion, we may decline to express an opinion as a result of this engagement.

Our Responsibilities

Canadian generally accepted auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. Accordingly, we will plan and perform our audit to provide reasonable, but not absolute, assurance of detecting fraud and errors that have a material effect on the financial statements taken as a whole, including illegal acts whose consequences have a material effect on the financial statements.

One of the underlying principles of the profession is a duty of confidentiality with respect to clients' or former clients' affairs. Accordingly, except for information that is in, or enters, the public domain, we will not provide any third party with confidential information concerning the affairs of Saskatchewan Beekeeper's Development Commission without Saskatchewan Beekeeper's Development Commission's prior consent, unless required to do so by legal authority, or the Rules of Professional Conduct of the Institute of Chartered Accountants of Saskatchewan.

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We will communicate in writing to the audit committee or equivalent any factors between us and Saskatchewan Beekeeper's Development Commission (including related entities) that may, in our professional judgment, be thought to bear on our independence.

The objective of our audit is to obtain reasonable assurance that the financial statements are free of material misstatement. However, if we identify any of the following matters, they will be communicated to the appropriate level of management:

- misstatements, resulting from error, other than trivial errors;
- fraud or any information obtained that indicates that a fraud may exist;
- any evidence obtained that indicates that an illegal or possibly illegal act, other than one considered inconsequential, has occurred;
- significant deficiencies in the design or implementation of internal controls to prevent and detect fraud or error; and
- related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management and those charged with governance in discharging their responsibilities. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed.

Use and Distribution of our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Saskatchewan Beekeeper's Development Commission and those to whom our report is specifically addressed. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party.

Management Responsibilities

Management is responsible for:

Financial Statements

- The preparation and fair presentation of Saskatchewan Beekeeper's Development Commission's financial statements in accordance with Canadian generally accepted accounting principles.

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Completeness of Information

- providing and making available complete financial records and related data;
- providing copies of all minutes of meetings of shareholders, directors and committees of directors;
- providing information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- providing information relating to any illegal or possibly illegal acts, and all facts related thereto;
- providing information regarding all related parties and related-party transactions;
- any additional information that we may request from management for the purpose of this audit; and
- providing unrestricted access to individuals within the entity from whom we determine it is necessary to obtain audit evidence.

Fraud and Error

- implementation of internal controls that management determines are necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error;
- an assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- providing information relating to fraud or suspected fraud affecting the entity including management, employees or others, where the fraud could have a non-trivial effect on the financial statements;
- providing all information relating to any allegations of fraud or suspected fraud affecting the entity involving:
 - ◆ Management,
 - ◆ Employees who have significant roles in internal control, or
 - ◆ Others, where the fraud could have a non-trivial effect on the financial statements;
- communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Recognition, Measurement and Disclosure

- providing its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
- providing any plans or intentions that may affect the carrying value or classification of assets or liabilities;

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- providing information relating to the measurement and disclosure of transactions with related parties;
- providing an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with Measurement Uncertainty, CICA Handbook - Accounting Section 1508;
- providing information relating to claims and possible claims, whether or not they have been discussed with Saskatchewan Beekeeper's Development Commission's legal counsel;
- providing information relating to other liabilities and contingent gains or losses, including but not limited to those associated with guarantees, whether written or oral, under which Saskatchewan Beekeeper's Development Commission is contingently liable;
- providing information on whether Saskatchewan Beekeeper's Development Commission has satisfactory title to assets, liens or encumbrances on existing assets, or assets that are pledged as collateral;
- providing information relating to compliance with aspects of contractual agreements that may affect the financial statements; and
- providing information concerning subsequent events.

Written Confirmation of Significant Representations

- Providing written confirmation of significant representations provided to us during the engagement on matters that are:
 - ◆ Directly related to items that are material, either individually or in the aggregate, to the financial statements,
 - ◆ Not directly related to items that are material to the financial statements but are significant, either individually or in the aggregate, to the engagement, and
 - ◆ Relevant to your judgments or estimates that are material, either individually or in the aggregate, to the financial statements.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication intact unless otherwise agreed to by us.

Those Charged with Governance Responsibilities

It is the responsibility of those with oversight (i.e. board of directors) to ensure that the policies are in place for effective governance. Other areas of responsibility include:

- Ensuring that all unusual and material transactions during the year are approved;
- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditors as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;

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- Where necessary, reviewing matters raised by the auditors with appropriate levels of management, and reporting back to the auditors their findings;
- Communicating to the auditors any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or auditors' report;
- Providing guidance and direction to the auditors on any additional work they feel should be undertaken in response to issues raised or concerns expressed;
- Making appropriate enquiries into the findings of the auditors with respect to corporate governance, management conduct, cooperation, information flow and internal controls; and
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules for accuracy, completeness and appropriateness, and approves the same to be passed to directors for approval.

Reproduction of Audit Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditors' report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either the full or summarized financial statements that we have audited.

Provision of Information

We will ask that your personnel, to the extent possible, prepare various schedules and analyses, and make various invoices and other documents available to our staff. This assistance will facilitate our work and minimize the audit fees. Failure to provide working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Saskatchewan Beekeeper's Development Commission of its obligations.

Working Papers

The working papers, files, reports and other documents prepared in conjunction with our audit are the property of ParkerQuine LLP. These documents constitute confidential information and will be retained by us in accordance with ParkerQuine LLP's policies and procedures.

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Fees

Our fees are based on regular hourly rates for time actually spent on the engagement and direct out-of-pocket cash plus applicable taxes. These invoices are due when rendered. An interest charge of 2% per month (26.8% per annum) will be added to overdue accounts.

The arrangements outlined in this letter will continue in effect from year to year until amended or superseded in writing by mutual agreement, or terminated by written notice by either party.

If you have any questions about the contents of this letter, please raise them with us. Should you wish clarification of the contents of this letter, please contact us. If the services outlined are in accordance with your requirements and the terms are acceptable to you, please sign this letter and return it to us.

We appreciate the opportunity to be of service.

Yours truly

PARKERQUINE LLP

Per: *Mandy Pizz CA*

MP/cm

The services set out in the foregoing letter are in accordance with our requirements and the terms are acceptable to us and hereby agreed to.

Saskatchewan Beekeeper's Development Commission

Per: _____

Date: _____

Saskatchewan Beekeeper's Development Commission
Yorkton SK
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Electronic Communications

During the course of our audit, we will be in communication with you and may request information from you from time to time. We may also communicate with members of your staff or third parties whom you have authorized us to communicate with. With your consent, some of these communications may be in electronic form.

Please be assured that ParkerQuine LLP takes the confidentiality of client information seriously, and we have taken precautions to ensure a high level of electronic security over all files stored within our own servers and computers. ParkerQuine LLP does not, however, provide assurance with respect to the protection, confidentiality or security of email or other electronic transmissions. By signing this letter, you accept the risk inherent in sending information by email or other electronic methods of communication. You also agree not to hold ParkerQuine LLP or its employees liable for any damage or loss, however caused, arising out of the email and other electronic communications.

Receipt of communications from you or your staff members in electronic form will also signify consent for sending information by email or other electronic methods of communication.

Your consent for electronic communication will remain in place until cancelled in writing by you.

The services set out in the electronic communication agreement are in accordance with our requirements and the terms are acceptable to us and hereby agreed to

Saskatchewan Beekeeper's Development Commission

Per: _____

Date: _____



PARKER QUINE LLP

Chartered Accountants Business Advisors

When writing or telephoning please refer to: Mandy Price
Yorkton

February 20, 2011

Saskatchewan Beekeeper's Development Commission
Box 55, RR #3
Yorkton SK S3N 2X5

To the Management and Board of Directors:

We have completed our examination of the financial statements and records of the Saskatchewan Beekeeper's Development Commission (SBDC) for the period January 1, 2010 to December 31, 2010. In conducting our audit, we examined the control environment and internal controls as well as the transactions comprising specific financial statement items. We have prepared the following comments and suggestions for improvements to your control system, management, and accounting processes based on the results of our examination.

Internal Controls

It is important for the organization to have effective internal controls in order to mitigate the risk of errors and fraud. A proper system of internal controls and procedures will improve the ability to safeguard the assets, ensure that the organization's activities are carried out as intended, and protect the Commission's management and members charged with the responsibility to handle the day-to-day operations.

As reported in the prior year, the SBDC continues to use pre-signed cheques for payment of certain expenses. We noted in the minutes that the board did request that the Secretary/Treasurer provide monthly financial reports and a listing of the cheques issued for that month. While we did note evidence in the minutes that the Secretary/Treasurer has been providing a current balance sheet and income statement, we did not note any evidence that a listing of cheques issued had been provided for board approval. We recommend that the payments be approved by motion and that a copy of the payments be filed with the minutes. Additionally, each page of the payments listings should be initialled as approved by the chair person or other designated board members as evidence that the listing is an accurate representation of the payments approved by the board.

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We continue to remind board members who agree to be signatories that they are indicating their approval of the payment when signing the cheques (even if cheques are pre-signed), and encourage them to act with due diligence to protect their own personal liability. Implementing mitigating controls will assist in reducing this potential exposure.

Our audit testing revealed the following discrepancies:

- One instance where a cheque was not dual signed
- One instance in general expense testing where the invoice could not be located – the particular expense related to the development of the calendar and was noted as approved in the minutes;

We did not note any deficiencies in internal controls significant enough to warrant a qualification of our opinion on internal controls.

Legislative Compliance

We did note any reportable instances of non-compliance with legislation.

We wish to thank the Secretary-Treasurer for his assistance in the completion of the audit engagements.

Please feel free to contact Mandy Price if you would like further clarification of the above.

Yours truly

PARKERQUINE LLP

Per: *Mandy Price CA*

MP/cm

**Saskatchewan Beekeepers Development Commission
Annual Meeting Agenda
March 1, 2011
Travelodge Motel, Prince Albert, SK**

Registration (No Fee) 1:00 p.m.

Call to Order: 1:30 p.m.

Introduction of New Board Member

President's Report

Presentation of Financial Audit

Discussion regarding possible projects for 2011.

Adjournment: