



Saskatchewan Beekeepers' Development Commission

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

Chair	Mark Knox Box 2653 Nipawin, SK, S0E 1E0 306-862-5657 Fax: 306-862-9495	Serving 2nd year of 3 year term
Vice-Chair	Joe Edwards Box 104, Ridgedale, SK S0E 1L0 306-873-4441	Serving 1st year of 3 year term
Director	Corey Bacon Box 84 Kinistino, SK S0J 1H0 306-864-3774	Serving 3rd year of 3 year term
Director	Danny Wasylenchuk R.R. 2 Canora, SK S0A 0L0 306-792-4764	Serving 3rd year of 3 year term
Director	Danny Valleau Box 7, Aylsham, SK S0E 0C0 306-862-4094	Serving 2nd year of 3 year term
Director	Dr. F. Barry Brown W521 Mt. Allison Pl., Saskatoon, SK S7H 2A9 306.374.8880	Serving 1st year of 3 year term



State of the Industry

Saskatchewan has experienced pockets of high losses in three of the last four years as well as areas with repeated years of below normal honey production. Contributing factors have mainly been related to adverse weather conditions and the parasitic varroa mite through resistance to two current treatment options as well as lack of effective and viable rotation options for treatment for our climatic and management conditions. Our industry could face potential new threats from resistant American Foul Brood (rAFB) from our neighboring provinces as well as Small Hive Beetle (SHB) of which a find was discovered in MB last fall. The implications on our colonies through the spread of viruses, using varroa mite as a vector, is still not fully understood. Modern "progressive" grain and oilseed farming practices also pose challenges to the Saskatchewan beekeeping industry. From pesticide kills, loss of apiary site locations and natural forage plants/trees through land clearing as well as draining and ditching of natural water bodies, they all have a negative impact on the beekeeping industry.

In spite of these challenges our industry and the honey bee have never been so prevalent in the minds of the general public and a true understanding of their value to agriculture, the food supply and the world population is emerging. In the face of challenges, the Saskatchewan bee industry continues to grow in colony numbers as well as seeing some new entrants into the business. It is estimated Saskatchewan colonies numbers, including nucs, have climbed to roughly 120,000 colonies from as little as 85-90,000 colonies just 2-3 short years ago. This growth can be attributed to two main factors – economics and management.

Regarding management, SK beekeepers are some of the best in the world as shown by our honey production – the highest pound/colony average in Canada and among the highest in the world; in spite of our harsh climatic conditions and short production season. SK beekeepers are innovative as shown through their leadership in self-sustainability and self-reliance. While some imports of queens and packages are utilized within our province, there are few beekeepers that have not benefited through work to better develop breeding lines suited to our management, production and environmental conditions. Few operations do not incorporate queen and nuc production within their operations for sustainable replacement stock for in-house use and/or for sale to others. With a clear message coming out of the national stakeholder symposium hosted by the national body – Canadian Honey Council (CHC) last year on stock replacement, further opportunities in this area could present themselves in the coming year/s. It is rare to have growth without coupled economic opportunity. We have seen stable and fair prices for the last few years and over the past few months's prices have climbed roughly 20% and currently sit around the \$2.00/pound level. If these strong prices can sustain and remain stable the economic conditions will remain.

Research :

There were various research projects that the SBDC participated in during the year of 2012 to help address industry challenges as well as fulfill our role through the Beekeepers Development Plan

. The SBDC has been active in supporting the following projects:

In 2012 the SBDC pledged to financial support an application by Dr. Albert Robertson pertaining to breeding and virus work with the Saskatraz developed lines if the project received approval from the Agriculture Development Fund. Unfortunately, funding was not approved but we wish Albert success during the next grant application intake and invite him to apply to the SBDC again.

The SBDC also committed funds to a research project to help identify natural levels of bee repellents found in honey (products used by the beekeeping industry for honey removal). Testing by CFIA has demonstrated that naturally occurring levels of bee repellents may be perceived "adulterants". This potentially poses a risk to the reputation of Canadian and Saskatchewan honey. This project has been put on hold as the CFIA has indicated it will no longer test for these repellents that naturally occur in honey for the time being.



The SBDC is in the final year of a three year commitment to an SBA project looking to identify better efficacy and windows for "soft chemicals" for the treatment of varroa mites

The SBA was recently approved for a second single year project though 2013 looking into overwintering effects on colonies based on different varroa mite treatments.

The board has also tentatively agreed to partially fund a project looking into population dynamics going into overwintering.

Moving forward, nutrition and overwintering research will continue to be a focus in evaluating research projects. The SBDC is actively encouraging all bee related applications.

Promotion :

The SBDC has been continuing to promote honey bees using various techniques and programs. SBDC promotional projects include:

SBDC continues to support the Regina Bee Club in their efforts at the AG Expo during Agribition which focuses on introducing and educating school children on the honey bee industry and value of the honey bee.

The SBDC is participating in an additional beekeeping promotion program through AG in the Classroom which is also geared towards school children.

There is a series of promotional brochures in progress, with some brochures complete.

Development of display stands and material for promotion of our industry and products are also nearing completion.

The specific purposes of the beekeepers plan include:

to assist in the development and promotion of bees and bee products in the domestic and international marketplaces;

to conduct and encourage research on:

- (i) the production, market development and processing of bees and bee products; and
- (ii) the consumption of bee products;

to develop procedures to maximize returns to registered beekeepers;

to advise governments on matters pertaining to bees and bee products research and development;

to gather, compile and distribute information related to the production, consumption and market development of bees and bee products;

to encourage the production of uniformly high-quality bees and bee products;

to promote harmony and communication within the bee and bee products industry;

to initiate and implement advertising programs, sales promotion programs and consumer education programs to expand awareness and demand for bees and bee products;

to 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

to work in co-operation with any persons or organizations that have objectives similar to those of the beekeepers plan.

I encourage all participants and non-participants alike to share ideas with our board to continue to pursue advances for our industry as they relate to the beekeepers plan.

Corey Bacon - Acting Chair, Saskatchewan Beekeepers Development Commission



Saskatchewan Beekeepers Development Commission

Disclosure of Payments of over \$1000.00 for year ending December 31, 2012

Regina & District Bee Club

\$2,500.00 Promotion

Saskhoney.ca Clothing

\$1,186.92 Promotion

Pamphlet Project 2011

\$1,850.00 Promotion

CAAP S62-C Project

\$10,000.00 Research

**FINANCIAL
STATEMENTS**

**Saskatchewan Beekeeper's
Development Commission**

Year Ended December 31, 2012

Saskatchewan Beekeeper's Development Commission

Regina, Saskatchewan

December 31, 2012

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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, 2012 and December 31, 2011, and the Statements of Operations, Changes In Net Assets and Cash Flows for the years 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, 2012 and December 31, 2011, and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Yorkton, SK
February 28, 2013

PARKERQUINE LLP

Per: Wandy P... CA

Saskatchewan Beekeeper's Development Commission

Regina, Saskatchewan

Statement of Financial Position as at December 31, 2012

	December 31, 2012	December 31, 2011 (Note 11)	January 1, 2011
Assets			
Current Assets			
Cash and cash equivalents	55,219	1,089	919
Short-term investments - note 4	93,980	93,185	101,586
Accounts receivable - note 5	871	708	1,009
	<u>150,070</u>	<u>94,982</u>	<u>103,514</u>
Capital Assets			
Pierre the Bear	4,150	4,150	4,150
Less: Accumulated amortization	(1,868)	(1,453)	(1,038)
Vehicle held for leasing	30,818	30,818	
Less: Accumulated amortization	(2,740)	(685)	
	<u>30,360</u>	<u>32,830</u>	<u>3,112</u>
	<u>\$ 180,430</u>	<u>\$ 127,812</u>	<u>\$ 106,626</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities - note 7	18,895	7,090	1,901
Deferred revenue - note 6	1,100	1,100	
	<u>19,995</u>	<u>8,190</u>	<u>1,901</u>
Net Assets			
Invested in capital assets	30,360	32,830	3,112
Internally-restricted net assets - note 8	32,774	28,004	22,295
Unrestricted net assets	97,301	58,788	79,318
	<u>160,435</u>	<u>119,622</u>	<u>104,725</u>
	<u>\$ 180,430</u>	<u>\$ 127,812</u>	<u>\$ 106,626</u>

Approved on behalf of the board:

Saskatchewan Beekeeper's Development Commission

Statement of Changes In Net Assets
For the year ended December 31, 2012

	Invested In Capital Assets	Internally- Restricted Net Assets	Unrestricted Net Assets	2012 Total	2011 Total (Note 11)
Balance, beginning of year	32,830	28,004	58,788	119,622	104,725
Excess (deficiency) of revenue over expenses for the year	(2,470)		43,283	40,813	14,897
Transfer from unrestricted to restricted		4,770	(4,770)		
Balance, end of year	\$ 30,360	\$ 32,774	\$ 97,301	\$ 160,435	\$ 119,622

Saskatchewan Beekeeper's Development Commission

Statement of Operations

For the year ended December 31, 2012

	Budget	2012	2011 (Note 11)
Revenue			
Producer check-off fees	65,000	70,198	65,501
Less: Producer check-off refunds		3,884	8,425
	<u>65,000</u>	<u>66,314</u>	<u>57,076</u>
Registration fees	2,500	2,775	2,350
Investment income received	2,000	2,888	2,250
Investment income - realized gains (losses)		199	220
Investment income - unrealized gains (losses)		2,708	130
Lease interest		219	299
Truck lease income	12,700	12,000	2,200
Calendar sales		56	280
	<u>82,200</u>	<u>87,159</u>	<u>64,805</u>
Expenses			
Administrator's fees	3,900	3,900	3,900
Amortization	9,000	2,470	1,100
Board of directors	1,500	3,039	1,372
Business and annual meetings	2,000	1,562	262
Election and nomination expenses	375		
General and administration	450	1,625	407
Honey promotion brochures and pamphlets	7,500	1,850	5,500
Member communications	2,800	2,599	1,807
Promotions and research	50,000	1,187	9,427
Professional fees	2,200	3,510	2,170
Vehicle	1,700		1,669
Website		314	1,605
Projects, contributions and donations:			
Saskatchewan Beekeepers' Association CAAP project S2-C	15,000	10,000	10,000
Saskatchewan Beekeepers' Association CAAP project S62-C		11,070	
Manitoba/Saskatchewan Queen Breeders project	5,000		5,000
Regina and District Bee Club	2,500	2,500	5,189
Ag In the Classroom		720	
Other	500		500
	<u>104,425</u>	<u>46,346</u>	<u>49,908</u>
Excess (Deficiency) of Revenue Over Expenses for the Year	<u>\$ (22,225)</u>	<u>\$ 40,813</u>	<u>\$ 14,897</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, 2012

	2012	2011 (Note 11)
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	40,813	14,897
Add items not requiring cash resources		
Amortization	2,470	1,100
Loss (gain) on disposal of short-term investments	(199)	(220)
Fair value adjustment on held-for-trading investments	(2,708)	(130)
Net change in working capital	<u>11,642</u>	<u>6,591</u>
	<u>52,018</u>	<u>22,238</u>
Investing activities		
Capital asset purchases		(30,818)
Additions to short-term investments	(2,888)	(2,250)
Proceeds on disposal of short-term investments	<u>5,000</u>	<u>11,000</u>
	<u>2,112</u>	<u>(22,068)</u>
Net Cash Increase for the Year	54,130	170
Cash position, beginning of year	<u>1,089</u>	<u>919</u>
Cash Position, End of Year	<u>\$ 55,219</u>	<u>\$ 1,089</u>
Represented By:		
Cash and cash equivalents	<u>\$ 55,219</u>	<u>\$ 1,089</u>
Net change in working capital consists of:		
Decrease (Increase) - accounts receivable	(163)	301
Increase (decrease) - other current liabilities	<u>11,805</u>	<u>6,290</u>
	<u>\$ 11,642</u>	<u>\$ 6,591</u>

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements
For the year ended December 31, 2012

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) Impact of the change in the basis of accounting

The organization has elected to apply the Canadian accounting standards for not-for-profit organizations of Part III of the *CICA Accounting Handbook*.

These financial statements are the first statements for which the organization has applied Canadian accounting standards for not-for-profit organizations (ASNFPPO).

The financial statements for the year ended December 31, 2012 were prepared in accordance with Canadian accounting standards for not-for-profit organizations and provisions set out in Section 1501 of Part III, first-time adoption by not-for-profit organizations.

The adoption of Canadian accounting standards for not-for-profit organizations had no impact on the previously reported assets, liabilities and equity of the organization, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations, statement of changes in net assets and statement of cash flows. Certain of the organization's disclosures required in these financial statements reflect the new disclosure requirements of Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

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

(c) 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.

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements
For the year ended December 31, 2012

2. Significant Accounting Policies - continued

(d) 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.

(e) 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.

(f) 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.

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements
For the year ended December 31, 2012

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.

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, 2012 was \$89,930 (2011 - \$93,185).

5. Accounts Receivable

2012 2011

Accounts receivable are comprised of the following items:

Accounts receivable	544	
Direct financing lease receivable	<u>327</u>	<u>708</u>
Total	<u>\$ 871</u>	<u>\$ 708</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 will run from August 1, 2010 to September 13, 2013 with monthly lease payments of \$50.

6. 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, 2012

	2012	2011
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7. **Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following items:

Accounts payable	16,595	5,000
Accrued liabilities	<u>2,300</u>	<u>2,090</u>
Total	<u>\$ 18,895</u>	<u>\$ 7,090</u>

8. **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.

9. **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.

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

Financial Statement Accounts	2012	2011
Assets		
Accounts receivable (SBA)	\$ 544	\$
Liabilities		
Accounts payable (SBA)	15,519	5,000
Accounts payable (Board of Directors)	1,076	
Revenue		
Clothing revenues	544	
Expenses		
Board of Directors	604	150
General and admin	822	
Business and annual meetings	1,080	

Saskatchewan Beekeeper's Development Commission

Notes to Financial Statements

For the year ended December 31, 2012

10. Commitments

The organization has committed to a \$10,000 contribution to the Saskatchewan Beekeeper's Association's CAAP S2-C project for the next fiscal year.

11. Comparative Figures

The comparative financial statements have been restated to recognize an additional funding commitment to the CAAP project which was payable in the 2011 fiscal year. As a result, the comparative statement of operations for the year ending December 31, 2011 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Saskatchewan Beekeepers' Association CAAP project S2-C	(10,000)	(5,000)	(5,000)
Adjustment to excess (deficiency) of revenue over expenses			(5,000)
Balance of unrestricted net assets, end of year, as previously stated			<u>63,788</u>
Balance of unrestricted net assets, end of year, as restated			<u>\$ 58,788</u>

The comparative statement of financial position as at December 31, 2011 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Accounts payable	\$ 5,000	\$ 0	\$ 5,000

PARKERQUINE LLP

Chartered Accountants Business Advisors

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, 2012 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:

- Bank reconciliations were found not to have been performed throughout the year.
- A change in signing authorities was found not to have been approved by the board.

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, 2012, 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 13, 2013

PARKERQUINE LLP

Chartered Accountants Business Advisors

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, 2012 to December 31, 2012:

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.

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, 2012 to December 31, 2012.

PARKERQUINE LLP

Per: Mandy Pines CA

Yorkton, SK
February 13, 2013

SBDC Statement of Operations - Budget Update as of Feb 28.2013			
Revenue	2012 Budget	2012 Actual	2013 Budget
Producer Check-Off Fees	\$ 65,000.00	\$ 70,198.00	\$ 70,000.00
Less Prod. Refunds		\$ 3,884.00	
	\$ 65,000.00	\$ 66,314.00	\$ 70,000.00
Registration Fees	\$ 2,500.00	\$ 2,775.00	\$ 2,500.00
Investment Income Received	\$ 2,000.00	\$ 2,888.00	\$ 3,000.00
Inv. Income Realized		\$ 199.00	
Inv. Income unrealized		\$ 2,708.00	
Computer Lease Income		\$ 219.00	
Truck Lease Income	\$ 12,700.00	\$ 12,000.00	\$ 12,000.00
Calendar Sales at AGM		\$ 56.00	
Total Income	\$ 82,200.00	\$ 87,159.00	\$ 87,500.00
Expense Categories	2012 Budget	2012 Actual	2013 Budget
Administrator Fees	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00
Amortization	\$ 9,000.00	\$ 2,470.00	\$ 3,000.00
Board of Directors	\$ 1,500.00	\$ 3,039.00	\$ 4,000.00
Business/Annual Meetings	\$ 2,000.00	\$ 1,562.00	\$ 2,000.00
Election/Nomination Expenses	\$ 375.00		\$ 500.00
General & Administration	\$ 450.00	\$ 1,625.00	\$ 1,600.00
Promotion Brochures/Signs	\$ 7,500.00	\$ 1,850.00	\$ 5,000.00
Newsletter(communicatinos)	\$ 2,800.00	\$ 2,599.00	\$ 2,800.00
Promotions & Research	\$ 50,000.00	\$ 1,187.00	\$ 50,000.00
Professional Fees	\$ 2,200.00	\$ 3,510.00	\$ 2,500.00
Vehicle	\$ 1,700.00	\$ -	\$ 1,700.00
Web Site	\$ -	\$ 314.00	\$ 400.00
Projects/Donations			
SBA CAAP S2-C Project	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00
SBA CAAP S62-C Project	\$ -	\$ 11,070.00	\$ -
Manitoba/Sask Queen Breeders	\$ 5,000.00	\$ -	\$ -
Regina & District Bee Club	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Ag in Classroom??	\$ -	\$ 720.00	\$ 1,500.00
Other	\$ 500.00	\$ -	\$ -
Total Expense	\$ 104,425.00	\$ 46,346.00	\$ 91,400.00
Net Surplus (Deficit)	-\$ 22,225.00	\$ 40,813.00	(-3900)



ANNUAL GENERAL MEETING MINUTES

Date: Friday March 1st, 2013

Time: 1:45 p.m. – 4:00 p.m.

Location: Nipawin, Northern Greens Resort, Sunset Room

Attendance - Board: Conrad, Corey, Joe, Dan Valteau, Danny Wasylenchuk,

Absent - Board: Calvin Parsons, Mark Knox

Guest: Rick Lindsay ACS

1. **Call to Order** : Corey @ 2:25pm
2. **Approval of the Agenda as circulated** Dan Valteau and Neil Specht Carried
3. **Interim President's comments** - Corey – read Interim Chair Report to producers
4. **Approval of the Minutes – AGM meeting 01-03-2012 as presented:** MS Trevor Rehaluk/Jake Berg
5. **New Business**
 - a. **Election report** – Conrad – Reporting officer could not attend. Announcement of elected board members Dr Barry Brown, Joe Edwards explained process and if someone would like to contest please send a letter into to Ag Council within 90 days. Explanation on bi-election.
 - b. **Executive election report** – Corey Bacon explained election
 - c. **Appointment of auditor for 2013** M/S on Parker Quine as 2013 Auditor Barry Brown/Lee Generaux Carried
6. **Financial Report** – by Conrad Schultz
 - a. 2012 Audited Financial Statements – need to include current money in bank, TAT team needs to support, Corey –committed reserve at 10% for 5 years to 50%. Suggestion: For future requests for funding, SBDC could indicate how much is available and perhaps which parts of a project. Corey indicated that any producer can call head office to find what funds are available for funding. M/S Jake Berg/Trevor Rehaluk Carried
 - b. 2012 board approved budget. Motion to Approve Budget M/S Barry Brown/Neil Specht
7. Open Floor – decision son who makes approval of projects, reasons for purchasing truck, queen breeders projects, American Foul Brood locations going public, Corey thanks Geoff Tat Team, Conrad, Calvin for their work with and for SBDC
8. **Adjournment** Motion by Brent McKee 3:45pm