

GREEN LAKE COMMUNICATIONS INC.

Financial Statements

Year Ended December 31, 2016

Pliska Vidal & Co.

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Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Green Lake Communications Inc.

We have audited the accompanying financial statements of Green Lake Communications Inc., which comprise the balance sheet as at December 31, 2016, and the statements of revenue and expenditures and changes in surplus 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.

Auditor's 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 auditor's 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 qualified audit opinion.

Basis for Qualified Opinion

Note 1 to the financial statements describes the policy to record capital asset additions as expenditures in the year acquired. In this respect the financial statements are not in accordance with Canadian generally accepted accounting principles.

Qualified Opinion

In our opinion, except for the effects of the capital assets being recorded as expenditures, as described in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of Green Lake Communications Inc. as at December 31, 2016 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Pliska Vidal & Co.

Meadow Lake , Saskatchewan
March 15, 2017

GREEN LAKE COMMUNICATIONS INC.

Balance Sheet

December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 56,626	\$ 70,419
Accounts receivable	-	1,000
	56,626	71,419
CAPITAL ASSETS (Note 1)	75,114	71,829
	\$ 131,740	\$ 143,248
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,068	\$ -
SURPLUS		
SURPLUS	51,558	71,419
INVESTMENT IN CAPITAL ASSETS	75,114	71,829
	126,672	143,248
	\$ 131,740	\$ 143,248

ON BEHALF OF THE BOARD

_____ *Chairman*

GREEN LAKE COMMUNICATIONS INC.
Statement of Revenue and Expenditures
Year Ended December 31, 2016

	2016	2015
REVENUE		
Bingo revenue	\$ 397,929	\$ 361,172
Auction revenue	2,911	1,520
Grants	25,947	32,610
Advertising revenue	1,850	5,000
Miscellaneous income	634	410
	<u>429,271</u>	<u>400,712</u>
EXPENDITURES		
Advertising	1,487	1,410
Bad debts	1,150	-
Bank charges and interest	984	763
Bingo callers	3,875	3,900
Bingo prize payout	286,583	246,177
Bingo supplies	6,435	5,052
Donations	31,300	50,802
Equipment	3,351	1,960
Insurance	2,131	2,048
Management fees	2,520	210
Postage and office supplies	2,528	2,223
Professional fees	1,315	1,535
Rent	48,575	48,492
Repairs and maintenance	770	1,637
Salaries	40,879	37,271
Telephone	4,419	4,405
Travel	4,597	1,702
Utilities	6,233	6,440
	<u>449,132</u>	<u>416,027</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (19,861)</u>	<u>\$ (15,315)</u>

GREEN LAKE COMMUNICATIONS INC.

Statement of Changes in Surplus

Year Ended December 31, 2016

	Surplus	Investment in Capital Assets	2016	2015
SURPLUS - BEGINNING OF YEAR	\$ 71,419	\$ 71,829	\$ 143,248	\$ 156,603
Capital asset additions	-	3,285	3,285	1,960
Deficiency of revenue over expenditures	(19,861)	-	(19,861)	(15,315)
SURPLUS - END OF YEAR	\$ 51,558	\$ 75,114	\$ 126,672	\$ 143,248

GREEN LAKE COMMUNICATIONS INC.

Notes to Financial Statements

Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are recorded at cost and are not amortized. Capital asset additions and disposals are included in current year revenues and expenditures.

GREEN LAKE COMMUNICATIONS INC.
Schedule of Bingo Revenue and Expenditures
Year Ended December 31, 2016

(Schedule 1)

	<u>2016</u>	<u>2015</u>
REVENUE	<u>\$ 397,929</u>	<u>\$ 361,172</u>
EXPENDITURES		
Bingo caller expense	3,875	3,900
Prize payout	286,583	246,177
Supplies	<u>6,435</u>	<u>5,052</u>
	<u>296,893</u>	<u>255,129</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 101,036</u>	<u>\$ 106,043</u>