

GREEN LAKE METIS FARMS LTD.
Financial Statements
Year Ended December 31, 2017

GREEN LAKE METIS FARMS LTD.

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Year Ended December 31, 2017

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Management's Responsibility for Financial Reporting

The financial statements of Green Lake Metis Farms Ltd. have been prepared in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Green Lake Metis Farms Ltd.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the shareholders' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the shareholders by , in accordance with generally accepted auditing standards.



President and CEO



Vice President

Green Lake, SK
June 14, 2018

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ACCOUNTANTS LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Green Lake Metis Farms Ltd.

We have audited the accompanying financial statements of Green Lake Metis Farms Ltd., which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 audit opinion.

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Independent Auditor's Report to the Members of Green Lake Metis Farms Ltd. *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Green Lake Metis Farms Ltd. as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Battleford, SK
June 14, 2018

Cogent Chartered Professional Accountants LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

GREEN LAKE METIS FARMS LTD.

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 478,949	\$ 531,133
Accounts receivable	57,565	11,012
	<u>536,514</u>	542,145
PROPERTY, PLANT AND EQUIPMENT (Note 3)	79,927	90,579
LONG TERM INVESTMENTS	100	100
	<u>\$ 616,541</u>	<u>\$ 632,824</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,813	\$ 8,214
Wages payable	883	-
Due to related parties (Note 6)	-	8,629
Current portion of long term debt (Note 5)	12,875	12,633
	<u>19,571</u>	29,476
LONG TERM DEBT (Note 5)	19,699	32,590
	<u>39,270</u>	62,066
NET ASSETS		
Share capital (Note 7)	100	100
General fund	577,171	570,658
	<u>577,271</u>	570,758
	<u>\$ 616,541</u>	<u>\$ 632,824</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

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ACCOUNTANTS LLP

See notes to financial statements

GREEN LAKE METIS FARMS LTD.
Statement of Revenues and Expenditures
Year Ended December 31, 2017

	2017	2016
TRADE SALES		
Pasture Fees	\$ 166,649	\$ 154,757
Forage Sales	16,620	49,512
Rental revenue	11,960	16,666
Other income	14,326	10,218
Interest income	687	-
	<u>210,242</u>	<u>231,153</u>
EXPENSES		
Accounting fees	15,600	15,600
Amortization of intangible assets	28,225	33,929
Bad debts	9,119	790
Building and Fence Repairs	10,999	10,633
Business taxes, licenses and memberships	55	52
Delivery, freight and express	878	-
Donations	4,355	2,265
Employee benefits	1,824	-
Feed and seed	-	6,255
Fuel and Oil	6,780	4,337
Honorariums	3,035	3,980
Insurance	7,491	7,114
House Expenses	6,731	-
Bank Charges	275	348
Interest	878	529
Land Clearing and Draining	40,873	44,536
Minerals and Salts	196	47
Office expenses	-	800
Professional fees	3,308	3,098
Property taxes	5,248	3,640
Rental	1,421	9,588
Repairs and maintenance	1,641	-
Salaries and wages	46,012	42,055
Small Tools	2,395	1,471
Supplies	79	-
Travel	86	100
Utilities and telephone	6,051	6,685
Veterinary and Breeding Fees	174	430
	<u>203,729</u>	<u>198,282</u>
EXCESS OF TRADE SALES OVER EXPENSES	<u>\$ 6,513</u>	<u>\$ 32,871</u>

GREEN LAKE METIS FARMS LTD.
Statement of Changes in Net Assets
Year Ended December 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 570,658	\$ 537,787
EXCESS OF TRADE SALES OVER EXPENSES	6,513	32,871
NET ASSETS - END OF YEAR	\$ 577,171	\$ 570,658

See notes to financial statements

GREEN LAKE METIS FARMS LTD.**Statement of Cash Flow****Year Ended December 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess of trade sales over expenses	\$ 6,513	\$ 32,871
Item not affecting cash:		
Amortization of intangible assets	28,225	33,929
	<u>34,738</u>	<u>66,800</u>
Changes in non-cash working capital:		
Accounts receivable	(46,553)	(2,249)
Accounts payable	(2,401)	(465)
Wages payable	883	-
	<u>(48,071)</u>	<u>(2,714)</u>
Cash flow from (used by) operating activities	<u>(13,333)</u>	<u>64,086</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,573)	(6,827)
Proceeds on disposal of property, plant and equipment	-	7,200
Cash flow from (used by) investing activities	<u>(17,573)</u>	<u>373</u>
FINANCING ACTIVITIES		
Advances from (to) related parties	(8,629)	6,982
Repayment of long term debt	(12,649)	(12,435)
Cash flow used by financing activities	<u>(21,278)</u>	<u>(5,453)</u>
INCREASE (DECREASE) IN CASH FLOW	(52,184)	59,006
Cash - beginning of year	<u>531,133</u>	<u>472,127</u>
CASH - END OF YEAR	\$ 478,949	\$ 531,133

GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2017

1. DESCRIPTION OF OPERATIONS

The business is incorporated under the provincial business corporations act. The company's principal business activity is the operation of a ranch.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	45%	

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Revenue recognition

Green Lake Metis Farms Ltd. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ 158,890	\$ 125,123	\$ 33,767	\$ 26,808
Motor vehicles	236,299	190,140	46,159	63,769
Computer equipment	900	899	1	2
	<u>\$ 396,089</u>	<u>\$ 316,162</u>	<u>\$ 79,927</u>	<u>\$ 90,579</u>

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GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2017

4. BANK INDEBTEDNESS

The company has an approved operating line of credit of \$50,000. It is secured by a general security by a general security agreement and an assignment of inventory. It is due on demand and interest is at prime +3. As at December 31, 2017 none of the line credit was being utilized.

5. LONG TERM DEBT

	<u>2017</u>	<u>2016</u>
CNH New Holland Tractor loan bearing interest at 1.9% per annum, repayable in semi annual blended payments of \$6,716.71. The loan matures on April 21, 2020 and is secured by New Holland Tractor.	\$ 32,574	\$ 45,223
Amounts payable within one year	<u>(12,875)</u>	<u>(12,633)</u>
	<u>\$ 19,699</u>	<u>\$ 32,590</u>

Principal repayment terms are approximately:

2018	\$ 12,875
2019	13,121
2020	<u>6,577</u>
	<u>\$ 32,573</u>

6. DUE TO RELATED PARTIES

	<u>2017</u>	<u>2016</u>
Northen Village of Green Lake	\$ -	\$ 8,629

Advances from the Village of Green Lake is non-interest bearing and has no set repayment terms.

7. SHARE CAPITAL

	<u>2017</u>	<u>2016</u>
Issued:		
100 Common Shares Class #1	\$ 100	\$ 100

Comments regarding share capital

8. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of public accountants.

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