

GREEN LAKE METIS FARMS LTD.
Financial Statements
Year Ended December 31, 2018

GREEN LAKE METIS FARMS LTD.
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Year Ended December 31, 2018

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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 Canadian public sector accounting standards. 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.

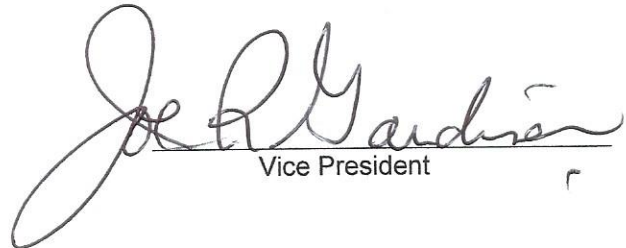
The integrity and reliability of Green Lake Metis Farms Ltd.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial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

The Board of Directors is responsible for ensuring that management fulfills 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 members' 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 members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Cogent Chartered Professional Accountants LLP, in accordance with Canadian public sector accounting standards.



President and CEO



Vice President

Green Lake, SK
June 25, 2019

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Green Lake Metis Farms Ltd.

Opinion

We have audited the financial statements of Green Lake Metis Farms Ltd. (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net financial assets, changes in accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Meadow Lake, SK
June 25, 2019

Cogent Chartered Professional Accountants LLP
Chartered Professional Accountants

GREEN LAKE METIS FARMS LTD.

Statement of Financial Position

December 31, 2018

FINANCIAL ASSETS

Cash	\$ 471,342	\$ 478,949
Accounts receivable	100,485	57,565
Long term Investments	100	100
	<u>571,927</u>	<u>536,614</u>

Liabilities

Accounts payable	9,686	5,813
Current portion of long term debt (Note 7)	13,121	12,875
Interest payable	104	-
Wages payable	1,157	883
Due to related parties	13,420	-
Long term debt (Note 7)	6,611	19,699
	<u>44,099</u>	<u>39,270</u>

NET FINANCIAL ASSETS

527,828 497,344

NON-FINANCIAL ASSETS

Inventory	-	-
Prepaid expenses	1,975	-
Tangible capital assets (Note 4)	101,147	79,927
	<u>103,122</u>	<u>79,927</u>

ACCUMULATED SURPLUS

\$ 630,850 \$ 577,171

ON BEHALF OF COUNCIL

_____ Councillor

_____ Councillor

GREEN LAKE METIS FARMS LTD.**Statement of Operations****Year Ended December 31, 2018**

	2018	2017
REVENUES		
Pasture Fees	\$ 222,662	\$ 166,649
Forage Sales	46,662	16,620
Rental revenue	14,560	11,960
Other income	35,179	14,326
Interest income	1,437	687
	320,500	210,242
EXPENSES		
Accounting fees	17,248	15,597
Amortization of intangible assets	12,645	28,225
Bad debts	-	9,119
Building and Fence Repairs	10,925	10,999
Business taxes, licenses and memberships	382	55
Delivery, freight and express	6,061	878
Donations	4,554	4,355
Employee benefits	3,996	1,824
Fuel and Oil	13,217	6,780
Honorariums	3,450	3,035
House Exp	5,514	6,731
Insurance	8,071	7,491
Interest Expense	949	878
Interest and bank charges	231	278
Land Clearing and Draining	39,515	40,873
Minerals and Salts	5,248	196
Office	325	-
Professional fees	5,657	3,308
Property taxes	7,343	5,248
Rental	1,614	1,421
Repairs and maintenance	10,348	1,641
Salaries and wages	81,002	46,012
Small Tools	4,146	2,395
Supplies	963	79
Travel	225	86
Utilities	9,070	6,051
Vet	702	174
	253,401	203,729
ANNUAL SURPLUS	\$ 67,099	\$ 6,513

See notes to financial statements

GREEN LAKE METIS FARMS LTD.
Statement of Changes in Accumulated Surplus
Year Ended December 31, 2018

	2018	2017
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 577,171	\$ 570,658
SURPLUS FOR THE YEAR	<u>67,099</u>	<u>6,513</u>
	644,270	577,171
DIVIDENDS DECLARED	<u>(13,420)</u>	-
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 630,850</u>	<u>\$ 577,171</u>

See notes to financial statements

GREEN LAKE METIS FARMS LTD.
Statement of Changes in Net Financial Assets
Year Ended December 31, 2018

	2018	2017
ANNUAL SURPLUS	\$ 67,099	\$ 6,513
Amortization of property, plant and equipment	12,645	28,225
Purchase of property, plant and equipment	(33,865)	(17,573)
Decrease (increase) in prepaid expenses	(1,973)	-
Transfer to Capital Fund	-	-
	<u>(23,193)</u>	<u>10,652</u>
INCREASE IN NET FINANCIAL ASSETS	43,906	17,165
NET FINANCIAL ASSETS - BEGINNING OF YEAR	497,347	480,182
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 541,253</u>	<u>\$ 497,347</u>

GREEN LAKE METIS FARMS LTD.**Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
surplus	\$ 67,099	\$ 6,513
Item not affecting cash:		
Amortization of intangible assets	12,645	28,225
	<u>79,744</u>	<u>34,738</u>
Changes in non-cash working capital:		
Accounts receivable	(42,920)	(46,553)
Accounts payable	3,873	(2,401)
Prepaid expenses	(1,975)	-
Interest payable	104	-
Wages payable	274	883
	<u>(40,644)</u>	<u>(48,071)</u>
Cash flow from operating activities	<u>39,100</u>	<u>(13,333)</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(33,865)</u>	<u>(17,573)</u>
Cash flow used by investing activity	<u>(33,865)</u>	<u>(17,573)</u>
FINANCING ACTIVITIES		
Dividends paid	(13,420)	-
Advances from related parties	13,420	(8,629)
Repayment of long term debt	(12,842)	(12,649)
Cash flow used by financing activities	<u>(12,842)</u>	<u>(21,278)</u>
DECREASE IN CASH FLOW	(7,607)	(52,184)
Cash - beginning of year	<u>478,949</u>	<u>531,133</u>
CASH - END OF YEAR	<u>471,342</u>	<u>478,949</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (1,437)	\$ (687)
Interest paid	\$ 231	\$ 278
Income taxes recovered	\$ -	\$ -
CASH CONSISTS OF:		
Cash	<u>\$ 471,342</u>	<u>\$ 478,949</u>

See notes to financial statements

GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2018

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP).

2. PURPOSE OF THE ORGANIZATION

Green Lake Metis Farms Ltd. (the "organization") is a for-profit organization incorporated provincially under the Business Corporations Act of Saskatchewan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Capital Assets are recorded at original cost. As a small not-for-profit organization, the organization has chosen to forego amortization of its tangible capital assets as this estimate would not add any additional information to these financial statements.

Revenue recognition

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

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.

Unrestricted investment income is recognized as revenue when earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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.

Property, plant and equipment

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

Equipment	20%
Motor vehicles	30%
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.

GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2018

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	\$ 166,828	\$ 128,898	\$ 37,930	\$ 33,767
Motor vehicles	262,226	199,009	63,217	46,159
Computer equipment	900	900	-	1
	<u>\$ 429,954</u>	<u>\$ 328,807</u>	<u>\$ 101,147</u>	<u>\$ 79,927</u>

5. BANK INDEBTEDNESS

The company has an approved operating line of credit of \$50,000. It is secured 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, 2018 none of the line of credit was being utilized.

6. SHARE CAPITAL

Authorized:
Unlimited Common voting shares

	2018	2017
Issued:		
100 Common Shares	<u>\$ 100</u>	<u>\$ 100</u>

7. LONG TERM DEBT

CNH New Holland Tractor loan bearing interest at 1.9% per annum, repayable in monthly blended payments of \$-. The loan matures on April 21, 2020 and is secured by New Holland Tractor.

	2018	2017
	\$ 19,732	\$ 32,574
Amounts payable within one year	<u>(13,121)</u>	<u>(12,875)</u>
	<u>\$ 6,611</u>	<u>\$ 19,699</u>

Principal repayment terms are approximately:

2019	\$ 13,121
2020	6,610
Thereafter	1
	<u>\$ 19,732</u>

GREEN LAKE METIS FARMS LTD.

Notes to Financial Statements

Year Ended December 31, 2018

8. COMPARATIVE FIGURES

Some of the comparative figures may have been reclassified to conform to the current year's presentation.
