

GREEN LAKE UTILITY COMPANY LTD.
Financial Statements
Year Ended December 31, 2018

GREEN LAKE UTILITY COMPANY LTD.

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Year Ended December 31, 2018

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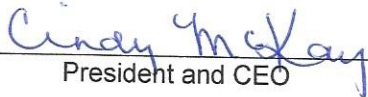
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Green Lake Utility Company 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 Utility Company 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 Utility Company Ltd.

Opinion

We have audited the financial statements of Green Lake Utility Company 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 UTILITY COMPANY LTD.

Statement of Financial Position

December 31, 2018

FINANCIAL ASSETS

Cash \$ 23,064 \$ 72,920

Liabilities

Employee deductions payable 276 267

NET FINANCIAL ASSETS

22,788 72,653

NON-FINANCIAL ASSETS

Inventory - -

Prepaid expenses - -

Tangible capital assets (Note 4) 76,503 16,503

ACCUMULATED SURPLUS

\$ 99,291 \$ 89,156

ON BEHALF OF COUNCIL

_____ *Councillor*

_____ *Councillor*

GREEN LAKE UTILITY COMPANY LTD.

Statement of Operations
Year Ended December 31, 2018

	2018	2017
REVENUES		
Equipment & Building	\$ 48,000	\$ 48,000
Donations	10,000	-
Other Income	-	84
	<u>58,000</u>	<u>48,084</u>
EXPENSES		
Accounting fees	17,486	17,186
Insurance	2,353	2,307
Interest on obligations under capital lease	206	161
Office	101	55
Honorariums	3,800	2,400
Professional fees	1,027	908
Salaries and wages	22,892	23,306
	<u>47,865</u>	<u>46,323</u>
ANNUAL SURPLUS	<u>\$ 10,135</u>	<u>\$ 1,761</u>

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

	2018	2017
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 89,156	\$ 87,395
SURPLUS FOR THE YEAR	<u>10,135</u>	<u>1,761</u>
	99,291	89,156
PARTNER #1 CONTRIBUTIONS DURING YEAR	60,000	-
TRANSFER TO FROM OPERATING	<u>(60,000)</u>	-
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 99,291</u>	<u>\$ 89,156</u>

See notes to financial statements

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

	2018	2017
ANNUAL SURPLUS	\$ 10,135	\$ 1,761
Purchase of property, plant and equipment	(60,000)	-
Transfer to Capital Fund	-	-
	(60,000)	-
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(49,865)	1,761
NET FINANCIAL ASSETS - BEGINNING OF YEAR	72,653	70,892
NET FINANCIAL ASSETS - END OF YEAR	\$ 22,788	\$ 72,653

See notes to financial statements

GREEN LAKE UTILITY COMPANY LTD.

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
surplus	\$ 10,135	\$ 1,761
Changes in non-cash working capital	9	4,267
Cash flow from operating activities	<u>10,144</u>	<u>6,028</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(60,000)</u>	-
Cash flow from (used by) investing activity	<u>(60,000)</u>	-
INCREASE (DECREASE) IN CASH FLOW	(49,856)	6,028
Cash - beginning of year	<u>72,920</u>	<u>66,892</u>
CASH - END OF YEAR	<u>23,064</u>	<u>72,920</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ -	\$ -
Interest paid	\$ 206	\$ 161
Income taxes recovered	\$ -	\$ -
CASH CONSISTS OF:		
Cash	<u>\$ 23,064</u>	<u>\$ 72,920</u>

See notes to financial statements

GREEN LAKE UTILITY COMPANY 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 Utility Company Ltd. (the "organization") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of Saskatchewan. The organization is a registered not for profit organization and is exempt from the payment of income taxes under the Income Tax Act.

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 Utility Company 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. 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.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Buildings	\$ 60,000	\$ -	\$ 60,000	\$ -
Equipment	16,503	-	16,503	16,503
	\$ 76,503	\$ -	\$ 76,503	\$ 16,503

GREEN LAKE UTILITY COMPANY LTD.

Notes to Financial Statements

Year Ended December 31, 2018

5. COMPARATIVE FIGURES

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