



City of Hamilton

SOLE VOTING MEMBER OF THE HAMILTON FARMERS' MARKET AGENDA

Meeting #: 22-003
Date: September 13, 2022
Time: 11:00 a.m.
Location: Council Chambers
Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

	Pages
1. APPROVAL OF AGENDA	
(Added Items, if applicable, will be noted with *)	
2. DECLARATIONS OF INTEREST	
3. APPROVAL OF MINUTES OF PREVIOUS MEETING	
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4. COMMUNICATIONS	
5. CONSENT ITEMS	
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7.1. Notice; Minutes of Previous Annual General Meeting; Directors; Financial Statements and Auditor's Report; and, Audit Appointment	20
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9. NOTICES OF MOTION	

10. GENERAL INFORMATION / OTHER BUSINESS
11. PRIVATE AND CONFIDENTIAL
12. ADJOURNMENT



City of Hamilton
**SOLE VOTING MEMBER
OF THE HAMILTON FARMERS' MARKET
MINUTES 22-002**

3:44 p.m.

Wednesday, April 6, 2022

Due to COVID-19 and the Closure of City Hall, this meeting was held virtually.

Present: Mayor F. Eisenberger (Chair), Deputy Mayor N. Nann
Councillors M. Wilson, J. Farr, R. Powers, T. Jackson,
E. Pauls, J.P. Danko, B. Clark, M. Pearson, B. Johnson,
A. VanderBeek, J. Partridge

Absent: Councillors T. Whitehead, S. Merulla, L. Ferguson – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Approval of the Minutes and Number of Directors (Item 7.1)

(Pauls/Partridge)

WHEREAS, the Corporation is a corporation without share capital to which the *Corporations Act*, R.S.O. 1990, c.38 (the “Act”) applies; and,

WHEREAS, by the Corporation’s Letters Patent, the City of Hamilton is the sole voting member of the Corporation (“Sole Voting Member”).

1. MINUTES OF PREVIOUS MEETING

BE IT RESOLVED:

That the minutes of the meeting held February 2, 2022, be approved.

2. DIRECTORS – DUTIES AND NUMBER

WHEREAS, by section 5 of the Corporation’s By-Law No.1, the Board of Directors shall consist of a minimum of seven (7) and a maximum of thirteen (13) or such other number of Directors as may be determined from time to time by the Sole Voting Member; and,

WHEREAS, the current number of Directors for the Hamilton Farmers’ Market Board has dropped below the required minimum membership of 7,

restricting the current membership of Directors to legally meet as the Board;

THEREFORE, BE IT RESOLVED:

That the minimum number of Directors required for the Hamilton Farmers' Market Board of Directors be reduced from 7 to 3, and that quorum be the majority of the existing members, being not less than 3.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann, Deputy Mayor
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Chad Collins
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Maria Pearson
Yes	-	Ward 11 Councillor Brenda Johnson
Absent	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

The Committee Clerk advised that there were no changes to the agenda.

(Powers/Pauls)

That the agenda for the April 6, 2022 meeting of the Sole Voting Member of the Hamilton Farmers' Market, be approved, as presented.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann, Deputy Mayor

**Sole Voting Member of the
Hamilton Farmers' Market
Minutes 22-002**

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Absent	-	Ward 4	Councillor Sam Merulla
Yes	-	Ward 5	Councillor Chad Collins
Yes	-	Ward 6	Councillor Tom Jackson
Yes	-	Ward 7	Councillor Esther Pauls
Yes	-	Ward 8	Councillor J. P. Danko
Yes	-	Ward 9	Councillor Brad Clark
Yes	-	Ward 10	Councillor Maria Pearson
Yes	-	Ward 11	Councillor Brenda Johnson
Absent	-	Ward 12	Councillor Lloyd Ferguson
Yes	-	Ward 13	Councillor Arlene VanderBeek
Absent	-	Ward 14	Councillor Terry Whitehead
Yes	-	Ward 15	Councillor Judi Partridge

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF THE PREVIOUS MEETING (Item 3)

(i) February 2, 2022 (Item 3.1)

(Powers/Pauls)

That the Minutes of the February 2, 2022 meeting of the Sole Voting Member of the Hamilton Farmers' Market, be approved, as presented.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann, Deputy Mayor
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Chad Collins
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Yes	-	Ward 10 Councillor Maria Pearson
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Absent	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

(d) COMMUNICATION ITEMS (Item 4)

(i) Resignations from the Hamilton Farmers' Market Board of Directors (Item 4.1)

(Johnson/Pauls)

That the following resignations from the Hamilton Farmers' Market Board of Directors, be received:

- (a) Jason Hofing (Item 4.1.a.)
- (b) Elly Bowan (Item 4.1.b.)
- (c) Wilf Ardnt (Item 4.1.c.)
- (d) Damian Wills (Item 4.1.d.)

Result: Motion CARRIED by a vote of 13 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann, Deputy Mayor
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Chad Collins
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
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Yes	-	Ward 10 Councillor Maria Pearson
Yes	-	Ward 11 Councillor Brenda Johnson
Absent	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

(e) ADJOURNMENT (Item 10)

(Jackson/Partridge)

That there being no further business, the Sole Voting Member of the Hamilton Farmers' Market be adjourned at 3:55 p.m.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann, Deputy Mayor

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Absent	-	Ward 4	Councillor Sam Merulla
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Absent	-	Ward 12	Councillor Lloyd Ferguson
Yes	-	Ward 13	Councillor Arlene VanderBeek
Absent	-	Ward 14	Councillor Terry Whitehead
Yes	-	Ward 15	Councillor Judi Partridge

Respectfully submitted,

Mayor Fred Eisenberger, Chair

Stephanie Paparella
Legislative Coordinator,
Office of the City Clerk

2022 Annual General Meeting

Hamilton Farmers' Market Corporation
Presented on September 13th, 2022
by Bill Slowka - Market Manager





Hamilton Farmers' Market - 185th Anniversary



- Market has evolved to include 50 local businesses covering a broad range of categories;
 - Artisans & Florists
 - Bakeries and Coffee
 - Cheese & Deli
 - Grocery/Prepared Foods
 - Meat, Poultry & Eggs
 - Produce, Seafood & VQA Wine
- Market surveys indicate our patrons come from all areas of the City and beyond its boundaries



Hamilton Farmers' Market Board

- The Hamilton Farmers' Market Board was created in 2015 to govern the Market
- During 2021, a number of Board members' terms came to an end, and changes with Board Members continued into 2022
- Current Market Board members include;
 - Councilor Esther Pauls - Acting Chairperson
 - Anne Miller - Secretary, Vendor Director
 - Brandon Linares - Treasurer, Vendor Director
 - Celina Masoudi - Vendor Director
 - Eva Marsden - Citizen Director

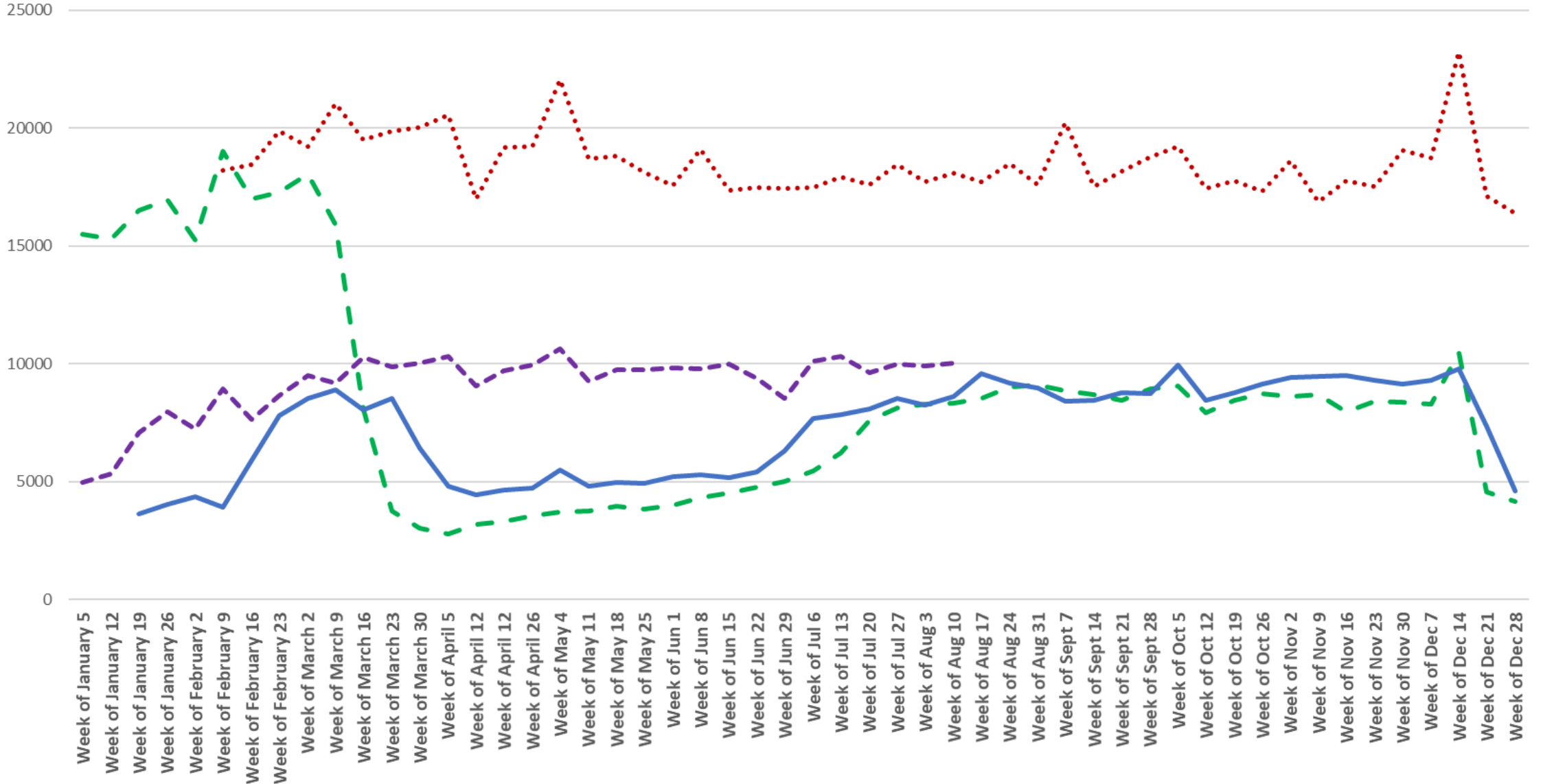


Impact of COVID-19 on HFM

- Proudly, the HFM never closed its doors to the public throughout the pandemic while providing the safest shopping experience possible
- The HFM lost 10 vendors by the end of 2020 and another 3 vendors in 2021 as a direct result of the financial strain on small business as many fell through the cracks of government support programs
- Added 5 new businesses to the HFM in 2021
- Jackson Square vacancy levels has negatively impacted Market foot traffic
- Market foot traffic continues its slow recovery to pre-pandemic levels.

Weekly customer visits to the Hamilton Farmers' Market

2019 Weekly Traffic 2020 Weekly Traffic 2021 Weekly Traffic 2022 Weekly Traffic





2021 Audit Report Summary - KMPG

COVID-19:

"In March 2020, the novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization.

The Hamilton Farmers' Market remained open through the pandemic with reduced operating hours. During the year, the Hamilton Farmers' Market extended the rent deferral program to assist vendors with rent payments who were able to demonstrate financial hardship. This extension allows vendors to defer their rent payments for April-September 2020 to the end of 2022 without interest.

As part of the federal-provincial Safe Restart Agreement, the City of Hamilton received emergency assistance, and the Market Corporation was allocated an amount of \$147,187 (2020 - \$144,652) in 2021. This funding was provided for the purpose of addressing COVID-19 related operating costs."



2021 Audit Report Summary - KMPG

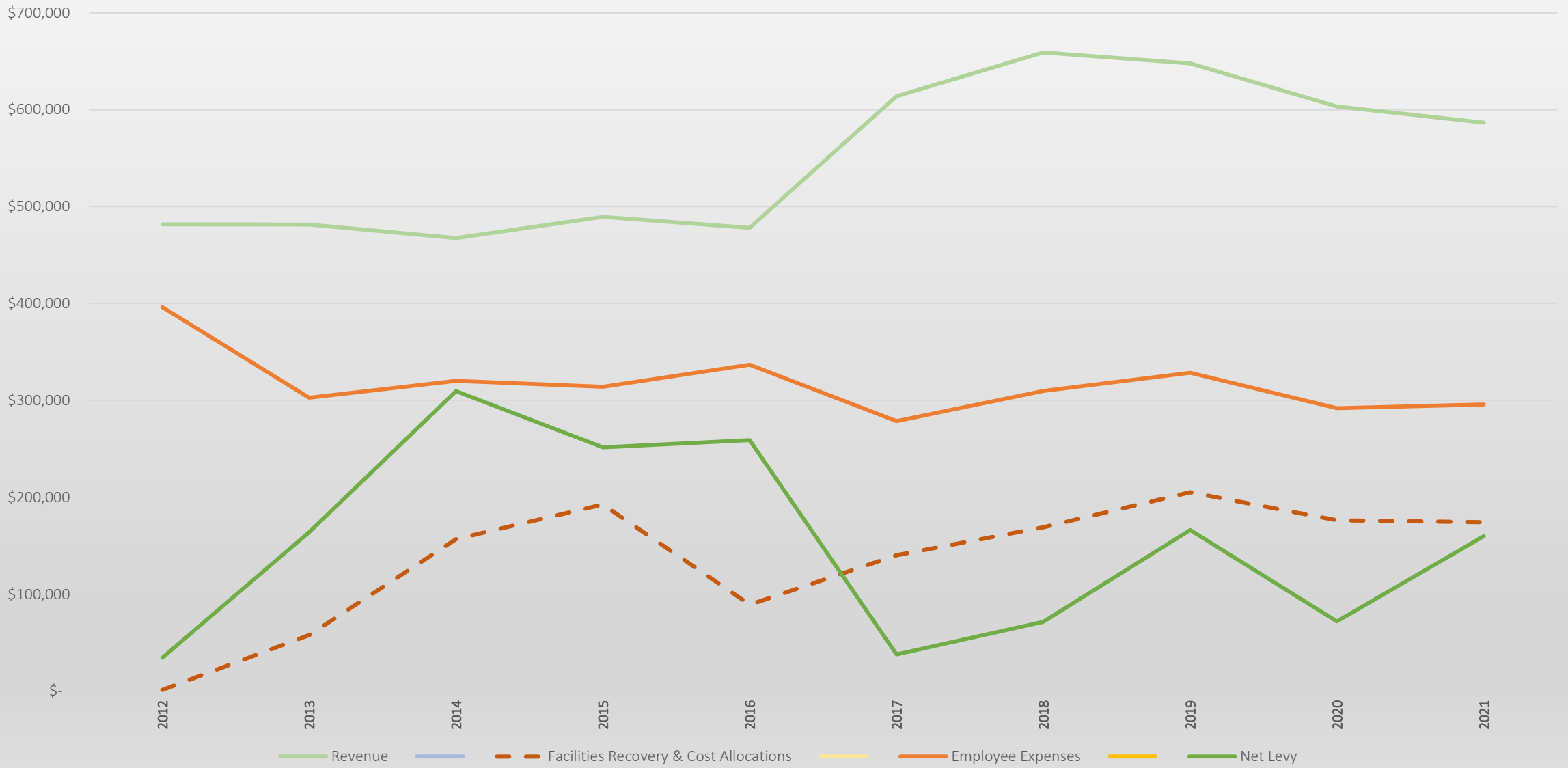
Reserves held by related party:

“The City of Hamilton holds a reserve fund on behalf of the Hamilton Farmers’ Market Corporation. Use of the funds requires approval of both the Market Corporation’s Board as well as the Council of the City of Hamilton. The funds are permitted to be used to ensure the viability of the Market Corporation if other sources of funding are not available. The balance of the reserve fund as at December 31, 2021 is \$78,662 (2020 - \$71,919).”

Accounts receivable:

“In the prior year, the Market Corporation approved an optional deferral plan that allowed stallholders to pay their fees for April through September 2020 in 2021 without interest. During the year ended December 31, 2021, stallholders that were able to demonstrate financial hardship were allowed to extend their fee payment deferral into 2022. In total, there are 6 (2020 - 32) stallholders that received fee payment deferral extensions.”

Hamilton Farmers' Market Multi-Year Actuals





A Financial Perspective

- The primary source of HFM revenue comes from vendor fees (98% excluding Corporate Sponsorship)
- Since 2016 vendor fees have seen one increase of 2% (2017)
- Total revenues continue to be impacted by a slow post-pandemic recovery and have yet to regain full occupancy
 - 2019 (\$509K) ... 2020 (\$473K) ... 2021 (\$453K)
 - 2022 (\$464K .. Forecast)
- Corporate Sponsorship agreement (\$125k) expired in April '22
- New Corporate Sponsor signed on for 2022-24 (\$25K)



2022 ... All Systems GO!

- Promotional work with local sports enterprises Hamilton Bulldogs, Toronto Rock, Hamilton Honey Badgers
- Welcomed several new vendors to the Market
- Special Events Calendar includes;
 - Valentines Day
 - Easter Celebration
 - Vegan Bingo
 - Mother's Day
 - Father's Day
 - End of Summer Beach Party
 - 185th Anniversary Celebrations

EST. 1837
**HAMILTON FARMERS'
MARKET**
OPEN YEAR ROUND

Our Newest Vendors



Apothecary Kitchen

Market General Store



Winnie Seamstress



Thank You

HAMILTON FARMERS' MARKET CORPORATION
(the "Corporation")

RESOLUTION OF THE SOLE VOTING MEMBER OF THE CORPORATION

WHEREAS the Corporation is a corporation without share capital to which the *Corporations Act*, R.S.O. 1990, c.38 (the "Act") applies;

AND WHEREAS by the Corporation's Letters Patent, the City of Hamilton is the sole voting member of the Corporation ("Sole Voting Member");

AND WHEREAS by section 5 of the Corporation's By-Law No.1, the Board of Directors shall consist of a minimum of three (3) to a maximum of thirteen (13) or such other number of directors, as may be determined from time to time by the Sole Voting Member;

AND WHEREAS by section 15 of the Corporation's By-Law No.1, the City of Hamilton, as the sole voting member, is authorized to or may require the Directors of the Corporation to appoint an auditor;

1. NOTICE

BE IT RESOLVED:

That the Sole Voting Member hereby waives its right to receive general or special notice of an annual meeting of the members of the Corporation.

2. MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

BE IT RESOLVED:

That the minutes of the annual general meeting held September 13, 2021, be approved.

3. DIRECTORS

BE IT RESOLVED:

That the following persons are affirmed or appointed as Directors of the Corporation and shall hold office until the date specified below, unless further extended as permitted by the by-laws of the Corporation or until their respective successors are elected or appointed subject to the by-laws of the Corporation:

- | | |
|---|--------------------|
| • Councillor Esther Pauls – Council Member | November 14, 2022 |
| • Anne Miller – Vendor Member-Second Term | August 11, 2023 |
| • Eva Marsden – Citizen Member-First Term | March 29, 2023 |
| • Celina Masoudi – Vendor Director-First Term | September 13, 2023 |
| • Brandon Linares – Vendor Director- First Term | September 13, 2023 |

EX OFFICIO MEMBERS

- Bill Slowka – Market Manager

4. FINANCIAL STATEMENTS AND AUDITOR’S REPORT

BE IT RESOLVED:

That the financial statements of the Corporation for the fiscal year ended December 31, 2021, attached hereto as Schedule “A” together with the auditor’s report as prepared by KPMG LLP, be and the same are hereby received and approved.

5. AUDIT APPOINTMENT

BE IT RESOLVED:

That the undersigned, being the Sole Voting Member, hereby authorizes the Directors of the Corporation to appoint an auditor of the Corporation to hold office until the next following annual meeting at such remuneration as may be fixed by the Directors and the Directors are hereby authorized to fix such remuneration.

The foregoing resolutions are, by signature below of the Sole Voting Member of the Corporation entitled to vote on such resolutions, passed as resolutions of the Corporation pursuant to the Act.

Dated as of this 13th day of September 2022.

CITY OF HAMILTON

Per: _____
F. Eisenberger
Mayor

Per: _____
A. Holland
Secretary

Financial Statements of

**HAMILTON FARMERS'
MARKET CORPORATION**

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Canada
Tel 905-523-8200
Fax 905-523-2222

INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Hamilton Farmers' Market Corporation and Members of Council of the City of Hamilton.

Opinion

We have audited the financial statements of The Hamilton Farmer's Market Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity 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 these 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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.



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- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 9, 2022

HAMILTON FARMERS' MARKET CORPORATION

Financial Statements

Year ended December 31, 2021

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Statement of Cash Flows	3
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HAMILTON FARMERS' MARKET CORPORATION

Statement of Financial Position

December 31, 2021, with comparative information for 2020


	2021	2020
Financial assets		
Cash	\$ 2,300	\$ 2,100
HST recoverable	54,012	27,130
Accounts receivable (note 3)	134,441	296,440
Inventory	3,124	959
	<u>193,877</u>	<u>326,629</u>
Financial liabilities		
Accounts payable and accrued liabilities	14,945	10,465
Deferred revenues	4,758	8,283
Due to City of Hamilton (note 2)	157,614	295,726
Unredeemed gift certificates	16,560	12,155
	<u>193,877</u>	<u>326,629</u>

COVID-19 (note 5)

Net financial assets and accumulated surplus	\$ -	\$ -
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See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

HAMILTON FARMERS' MARKET CORPORATION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 4)	2021	2020
Revenue:			
Safe restart agreement funding (note 5)	\$ 30,000	\$ 147,187	\$ 144,652
Merchandise sales	4,500	1,947	1,646
Rental income	493,600	459,809	476,710
Other revenues	168,000	166,186	168,657
	696,100	775,129	791,665
City levy funded deficit (note 2)	115,060	126,242	112,800
Hamilton Farmers Market reserve (note 2)	—	78,262	(39,672)
	811,160	979,633	864,793
Expenses:			
Employee related costs	325,440	293,760	292,590
Building and grounds	257,070	397,122	391,305
Contractual	127,260	126,851	85,296
Materials and supplies	90,940	89,991	84,735
Financial	10,450	60,726	10,867
Consulting	—	11,183	—
	811,160	979,633	864,793
Annual surplus, being net financial assets and accumulated surplus, end of year	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

HAMILTON FARMERS' MARKET CORPORATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by:		
Operating activities:		
Annual surplus	\$ -	\$ -
Changes in non-cash assets and liabilities:		
Increase in HST receivable	(26,882)	(4,583)
Decrease (increase) in accounts receivable	161,999	(212,415)
(Increase) decrease in inventory	(2,165)	3,514
Increase in accounts payable and accrued liabilities	4,480	261
(Decrease) increase in deferred revenue	(3,525)	5,397
(Decrease) increase in due to City of Hamilton	(138,112)	205,891
Increase in unredeemed gift certificates	4,405	1,935
Net change in cash	200	-
Cash, beginning of year	2,100	2,100
Cash, end of year	\$ 2,300	\$ 2,100

See accompanying notes to financial statements.

HAMILTON FARMERS' MARKET CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

The Hamilton Farmers' Market Corporation referred to herein as (the "Market Corporation") was established on December 21, 2015 by the Council of the City of Hamilton (the "City") and has been entrusted to provide the public with access to high quality, nutritious and locally grown food. The Market Corporation also provides opportunities for farmers and food producers to serve the general public. The City owns the market facilities and arranges with the Market Corporation to exclusively manage and operate the facilities on the City's behalf.

1. Significant accounting policies:

The financial statements of the Market Corporation are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Market Corporation are as follows:

(a) Basis of accounting:

These financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Expenses are recognized in the period goods and services are acquired and a liability is incurred.

(b) Cash:

Cash is comprised of cash on hand.

(c) Inventory:

Inventory is valued at the lower of cost and net realizable value.

(d) Government transfers:

Government transfers received relate to operating grants from the City of Hamilton. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(e) Rental and other revenues:

Rental and other revenues are reported as revenue in the period earned. Other revenues are comprised of merchandise sales, utility recovery and sponsorships.

HAMILTON FARMERS' MARKET CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(g) Gift Certificates:

Hamilton Farmers' Market issues gift certificates. These gift certificates make up the Unredeemed gift certificates balance on the statement of financial position. They have an indefinite life and do not expire.

(h) Use of estimates:

The preparation of financial statements required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Related party transactions:

(a) Transactions with related parties:

	2021	2020
Revenue:		
City levy funded deficit	\$ 126,242	\$ 112,800
Hamilton Farmers Market reserve adjustment	78,262	(39,672)
	<u>\$ 204,504</u>	<u>\$ 73,128</u>

These transactions have been reflected in the annual surplus for the current year and were measured at the exchange amount of consideration established and agreed to by the related parties.

(b) Reserves held by related party:

The City of Hamilton holds a reserve fund on behalf of the Hamilton Farmers' Market Corporation. Use of the funds requires approval of both the Market Corporation's Board as well as the Council of the City of Hamilton. The funds are permitted to be used to ensure the viability of the Market Corporation if other sources of funding are not available. The balance of the reserve fund as at December 31, 2021 is \$78,662 (2020 - \$71,919).

HAMILTON FARMERS' MARKET CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Related party transactions (continued):

(c) Outstanding balances due to related party:

	2021	2020
City of Hamilton	\$ 157,614	\$ 295,726

The amount due to City of Hamilton is non-interest bearing and has no fixed terms of repayment.

3. Accounts receivable:

In the prior year, the Market Corporation approved an optional deferral plan that allowed stallholders to pay their fees for April through September 2020 in 2021 without interest. During the year ended December 31, 2021, stallholders that were able to demonstrate financial hardship were allowed to extend their fee payment deferral into 2022. In total, there are 6 (2020 – 32) stallholders that received fee payment deferral extensions.

4. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by Council.

5. COVID-19:

In March 2020, the novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization.

The Hamilton Farmers' Market remained open through the pandemic with reduced operating hours. During the year, the Hamilton Farmers' Market extended the rent deferral program to assist vendors with rent payments who were able to demonstrate financial hardship. This extension allows vendors to defer their rent payments for April-September 2020 to the end of 2022 without interest.

As part of the federal-provincial Safe Restart Agreement, the City of Hamilton received emergency assistance, and the Market Corporation was allocated an amount of \$147,187 (2020 - \$144,652) in 2021. This funding was provided for the purpose of addressing COVID-19 related operating costs.