

Financial Statements of

**HAMILTON FARMERS' MARKET
CORPORATION**

Year ended December 31, 2017



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
Telephone (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.

We have audited the accompanying financial statements of the Hamilton Farmers' Market Corporation, which comprise the statement of financial position as at December 31, 2017, the statements of operations and cash flows for the year then ended, and notes, comprising 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 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.

Auditors' 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 our 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, we consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Hamilton Farmers' Market Corporation as at December 31, 2017, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

May 7, 2018

HAMILTON FARMERS' MARKET CORPORATION

Financial Statements

Year ended December 31, 2017

Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Cash Flows	3
Notes to Financial Statements	4 - 5

HAMILTON FARMERS' MARKET CORPORATION

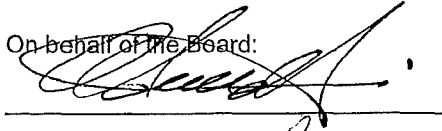
Statement of Financial Position

December 31, 2017, with comparative information for 2016

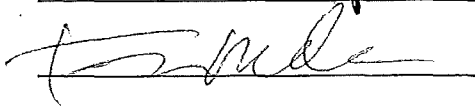
	2017	2016
Financial assets		
Cash	\$ 1,000	\$ 400
HST receivable	10,778	26,187
Accounts receivable	50,776	83,016
Inventory	10,796	-
	<u>73,350</u>	<u>109,603</u>
Financial liabilities		
Accounts payable and accrued liabilities	11,116	10,376
Deferred revenues	1,348	-
Due to City of Hamilton (note 2)	58,956	98,317
Unredeemed gift certificates	1,930	910
	<u>73,350</u>	<u>109,603</u>
Net financial assets and accumulated surplus	\$ -	\$ -

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

HAMILTON FARMERS' MARKET CORPORATION

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 3)	2017	2016
Revenue:			
Merchandise sales	\$ 5,000	\$ 7,292	\$ 5,538
Rental income	471,980	512,830	472,197
Other revenues	121,070	133,093	28,184
	598,050	653,215	505,919
City levy funded deficit	109,450	109,450	107,510
City of Hamilton subsidy	-	(71,593)	151,419
Total revenue	707,500	691,072	764,848
Expenses:			
Employee related costs	310,420	279,127	338,422
Building and grounds	212,960	257,210	157,294
Contractual	126,780	104,181	182,747
Materials and Supplies	57,340	40,458	77,042
Financial	-	10,096	9,343
Total expenses	707,500	691,072	764,848
Annual surplus (deficit), being net financial assets and accumulated surplus, end of year	-	-	-
Accumulated surplus, beginning of year	-	-	-
Accumulated surplus (deficit), end of year	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

HAMILTON FARMERS' MARKET CORPORATION

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by:		
Operating activities:		
Annual surplus	\$ -	\$ -
Changes in non-cash assets and liabilities:		
Change in HST receivable	15,409	(26,187)
Change in accounts receivable	32,240	(83,016)
Change in inventory	(10,796)	-
Change in accounts payable and accrued liabilities	740	10,376
Change in deferred revenue	1,348	-
Change in due to City of Hamilton	(39,361)	98,317
Change in unredeemed gift certificates	1,020	910
Net change in cash from operating activities	600	400
Net change in cash	600	400
Cash, beginning of year	400	-
Cash, end of year	1,000	\$ 400

See accompanying notes to financial statements.

HAMILTON FARMERS' MARKET CORPORATION

Notes to Financial Statements

Year ended December 31, 2017

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) Other income:

Other income is reported as revenue in the period earned.

HAMILTON FARMERS' MARKET CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2017

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) 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:

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

3. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by Council.