



St. John's Farmer's Market Treasurer's Report to Members of the Cooperative 2012-2013 Treasurer: Josh Smee

1. 2012 Season in Review

From a financial point of view, the 2012 Market Season was quite successful. Average weekly table revenues were **\$1090.51**, up from **\$925.25** in the 2011 season. Our other major source of sustaining revenue is coffee sales; the market put a new emphasis on them this year, and sales rose from **\$7,242** in the 2011 season to **\$8,884** in 2012. Our balance sheet is also quite good – with more than \$18,000 in assets against \$3,000 in liabilities, there is no risk to our ability to pay our bills.

Taking a broader look at the Market's finances, our great strength continues to be our ability to be self-supporting; with the exception of a Canada Summer Jobs student in the summer and some funding for board training, we did not rely on external funding - none of the funding we did get went into our core operations. That will continue to be our model for the coming year.

The Market ended the 2012 year with a surplus of **\$6,533**. Note that the figure recorded on the audited statements is significantly lower. This is a common feature of audited statements; the difference accrues to:

- The costs of the 2012 audit (approximately \$3000) being applied to the 2012 statements
- The cost of amortization (the declining resale value of our equipment).
- Some items being shown as changes on our balance sheet rather than as revenues

The surplus also includes donations; the year's surplus would have been about half the size without them. In terms of broader financial sustainability, the market is improving – in past years, donations have been necessary to budget for a break-even year, which is no longer the case.

A closer look at the Market's revenue and expenses will be found in the next section, which takes a line-by-line look at the 2012 and 2013 budgets. Before doing so, though, it is worth taking a look at the market's overall financial position and how it relates to our operations.

As noted above, thanks to the support of the St. John's community, the market is a self-supporting enterprise. What we do not yet have, however, is the ability to set aside significant funds for longer-term projects. The Board felt strongly that the 2013 Budget should provide for a significant increase in the salary offered to the Market Manager, who is a key element of the market's success. This increase will absorb any operational surplus the market has (though we still project a surplus arriving through donations and fundraising).

Operating as we currently do, any large-scale projects the market would wish to take on would necessarily require some outside funding. This model does, though, have the advantage of keeping our table fees comparatively low and the market thus accessible to a wide range of vendors. From a logistical perspective, hiring a bookkeeper was an excellent investment that has paid off for the cooperative. It has helped with financial planning, improved our record-keeping, and drastically smoothed the auditing process. It also provides some institutional memory as board members come and go. If the market's operating revenues (donations excepted) rise above the \$50,000 mark (and the budget has them close) we will also need to begin charging and filing HST. A bookkeeper's assistance will be very helpful if this happens, and the cost is quite low. Overall, thanks to the energy of the community built up around it, the cooperative is in an enviably good position for a relatively young, community-based organization.

Respectfully submitted,
Josh Smee, Treasurer

St. John's Farmer's Market: 2013 Budget with 2012 Actuals for Comparison (Note: Some categories added this year)

Expense	2012 Actual	2013 Budget	Explanation
Payroll			
Market Manager	\$13,836	\$17,760	Increase reflects an increase to \$16/hr from \$15.88 and an increase from 25 hrs/week to 30 during the market season. Contract duration extended to Dec. 31st. 30 hours a week April 15-Dec 31. 1 week paid holiday, 2 paid market days off in the fall as per current contrac.
Assistant Manager	\$2,290	\$2520	Wage to be increased from \$10 to \$10.50 an hour
Manager Subs	\$127	\$128	During busy season we pay a 2 nd person to take on manager duties on market day when the manager is on vacation. Projected cost is the same.
Casual labour	\$200	\$200	We also need to bring in an extra hand from time to time for setup or assistance. This also not projected to change in the 2013 season
CSJ Student	\$1,821	0	We do not plan to employ a CSJ student during the 2013 market season
El and CPP	\$1,120	\$1,550	These go up a little bit with the increase in Market Manager salary.
Subtotal	\$19,394	\$24,118	Total payroll rising by 24%
Coffee Expenses			
Coffee & Creamer/Sugar/Etc	\$2,214	\$2,200	No projected change – coffee system will remain as it was this year
Coffee equipment *urns, carafes	\$200	\$100	Fewer purchases will be necessary
Water/juice/mik	\$492	\$500	No projected change
Supplies (cups, lids, containers)	\$1,186	\$900	China mugs were phased out last year. We expect more patrons to bring their own in the 2013 season.
Subtotal	\$4,092	\$3,700	Costs of coffee sales falling by 8%
Operational expenses			
Tables	\$249	\$200	Some table purchases will continue to be needed
General expenses			
Location Rental	\$7,250	\$9,000	1 additional market vs 2012 season and a rent increase from \$250 to \$300/week
Advertising/marketing	\$1,706	\$1,500	Small reduction from 2012, while still allowing significant promotional activities.
Insurance	\$1,450	\$1,450	Insurance costs should be stable this year
Board orientation	\$665	\$0	The board will apply for external funding for board orientation sessions if needed
Accounting and legal	\$3,535	\$4,000	Audit costs are projected to rise slightly, and we expect to need some more hours from our bookkeeper as we expand.
Whscc	\$238	\$250	WHSCC costs should stay steady

Expense	2012 Actual	2013 Budget	Explanation
Manager professional development	\$60	\$250	With a new manager, there will be an increased focus on professional development.
Business fees and licenses	\$79	\$80	No reason to expect a change
Fundraising expenses	\$0	\$0	So far, market fundraising has largely been undertaken through volunteer time.
Office supplies	\$378	\$300	Slight reduction – we have some existing stock of supplies
AGM expenses	\$389	\$350	No major change; allows for a venue and some refreshments
Other meeting expenses		\$100	This is a contingency fund should we need paid meeting space
Telephone and website	\$271	\$300	No major change projected; telephone/internet fees may go up slightly.
Bank fees	\$82	\$60	Bank fees should fall this year as procedures regularize
Misc	\$16	\$50	\$50 budgeted for safety.
Honorarium (emails)	\$450	\$450	This ensures that there is time allocated to monitoring and responding to communications in the off-season. Compensation will not change.
T-shirt orders		\$300	We will be selling market T-shirts next season as a fundraising tool
Travel/mileage (consultant)	\$37	\$0	Not expected to be repeated
Subtotal	\$16,605	\$18,440	Altogether, non-salary expenses rising by about 9%
Volunteer appreciation	\$628	\$300	This expense has already been incurred (it covers the past season)
Total Expenses	\$40,968	\$44,798	
Revenue	2012 Actual	2013 Budget	Notes
Table fees	\$31,625	\$34,036	Based on 30 weeks of table fees. Fees will stay stable, but we will be charging \$8 for utilities and be offering fewer discounts.
coffee sales	\$8,884	\$9,190	Based on 2012 actuals + 1 week (2013 season has 30 markets)
Merchandise sales	0	\$1,000	Previous experiences selling T-Shirts etc have been positive.
fundraising	\$1,181	\$1,200	Based on 2012 actuals from Silent Auction Fundraiser
Coffee tips		\$300	Collections at the coffee tip stand allocated to pay for volunteer appreciation
donations at coffee stand	\$1,686	\$1,400	Based on 2012
Equipment rentals	\$1,668	\$400	Rent-to-own program ending; \$400 figure based on 2012 actuals for rentals.
Community Capacity Development Program grant	\$701	\$0	No grant application for 2013 yet discussed, so no revenue budgeted for.
CSJ Grant	\$1,756	0	No CSJ grant planned for the year
Total Revenue	\$47,501	\$47,526	
Overall Surplus/Deficit	\$6,533	\$2,728	With fundraising and donation revenues removed, this is a surplus of \$668 (effectively a break-even budget); this allows the market to offer a more competitive salary to the manager.