

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.

Financial Statements

Year Ended December 31, 2012

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.

Index to Financial Statements

Year Ended December 31, 2012

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	3
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8

INDEPENDENT AUDITOR'S REPORT

To the Members of St. John's Farmers' Market Co-operative Ltd.

We have audited the accompanying financial statements of St. John's Farmers' Market Co-operative Ltd., which comprise the statement of financial position as at December 31, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and 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 Accounting Standards for Not-for-Profit Organizations, 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.

Auditor's 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 the auditor's 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, the auditor considers 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many similar organizations, St. John's Farmers' Market Co-operative Ltd. derives revenue from fundraising activities and cash contributions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of St. John's Farmers' Market Co-operative Ltd.. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2012, current assets and net assets as at January 1, 2012 and December 31, 2012

(continues)

Independent Auditor's Report to the Members of St. John's Farmers' Market Co-operative Ltd.
(continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of St. John's Farmers' Market Co-operative Ltd. as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

St. John's, Newfoundland and Labrador
April 10, 2013

Pinson & Associates
CERTIFIED GENERAL ACCOUNTANTS

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.**Statement of Revenues and Expenditures****Year Ended December 31, 2012**

	2012	2011
REVENUE		
Market day revenue	\$ 30,444	\$ 25,069
Coffee and tea sales	8,900	7,242
Donations	1,686	2,807
Equipment rental	362	100
Fundraising revenue	1,181	2,493
	42,573	37,711
COST OF SALES	4,152	5,127
GROSS PROFIT	38,421	32,584
EXPENSES		
Salaries and wages	19,354	19,714
Rental	7,346	7,250
Professional fees	4,535	2,112
Insurance	1,362	1,058
Advertising and promotion	1,206	1,021
Volunteer appreciation	1,378	-
Amortization	205	386
Memberships	603	378
Consulting fees	450	250
Office	378	348
Business taxes and licences	288	306
Telephone	271	247
Miscellaneous	441	381
Supplies	200	-
Interest and bank charges	82	46
	38,099	33,497
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	322	(913)
Summer grant	1,756	2,730
EXCESS OF REVENUE OVER EXPENSES	\$ 2,078	\$ 1,817

See notes to financial statements

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.**Statement of Financial Position****December 31, 2012**

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 16,054	\$ 10,599
Inventory	1,140	-
Prepaid expenses	519	481
	17,713	11,080
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	821	3,472
	\$ 18,534	\$ 14,552
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 3,253	\$ 2,000
Wages payable	160	-
Employee deductions payable	468	327
	3,881	2,327
NET ASSETS		
Share capital <i>(Note 4)</i>	2,900	2,550
Contributed surplus	7,858	7,858
General fund	3,895	1,817
	14,653	12,225
	\$ 18,534	\$ 14,552

ON BEHALF OF THE BOARD_____
*Director*_____
Director

See notes to financial statements

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.
Statement of Changes in Net Assets
Year Ended December 31, 2012

	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ 1,817	\$ -
Excess of revenue over expenses	2,078	1,817
NET ASSETS - END OF YEAR	\$ 3,895	\$ 1,817

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.**Statement of Cash Flows**

Year Ended December 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 2,078	\$ 1,817
Item not affecting cash:		
Amortization of property, plant and equipment	205	386
	2,283	2,203
Changes in non-cash working capital:		
Inventory	(1,140)	-
Accounts payable	1,253	2,000
Prepaid expenses	(38)	(481)
Wages payable	160	-
Employee deductions payable	141	327
	376	1,846
Cash flow from operating activities	2,659	4,049
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(3,858)
Proceeds on disposal of property, plant and equipment	2,446	-
Cash flow from (used by) investing activities	2,446	(3,858)
FINANCING ACTIVITIES		
Member contributions	350	2,550
Contributed surplus	-	7,858
Cash flow from financing activities	350	10,408
INCREASE IN CASH FLOW	5,455	10,599
Cash - beginning of year	10,599	-
CASH - END OF YEAR	\$ 16,054	\$ 10,599

See notes to financial statements

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.

Notes to Financial Statements

Year Ended December 31, 2012

1. DESCRIPTION OF BUSINESS

St. John's Farmers' Market Co-operative Ltd. (the "co-operative") is incorporated as a co-operative under the Co-operatives Act of Newfoundland and Labrador. The co-operative's principal business activity is the operation of a farmers' market in the St. John's area

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Revenue recognition

The co-operative recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates:

Equipment 20%

The co-operative regularly reviews its property, plant and equipment to eliminate obsolete items.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Equipment	\$ 1,412	\$ 591	\$ 821	\$ 3,472

ST. JOHN'S FARMERS' MARKET CO-OPERATIVE LTD.

Notes to Financial Statements

Year Ended December 31, 2012

4. SHARE CAPITAL

Authorized:
Unlimited Common voting shares at \$50 par value

	2012	2011
Issued:		
58 Common shares	\$ 2,900	\$ 2,550
