

Finance Report

The Foundation is Strong

Mayor Dale Colbourne, Finance Chair



On behalf of the Board of Directors, I table the financial report for Municipalities Newfoundland and Labrador Inc. for the year ending December 31, 2022. This report's content is not merely a reflection of the past, but a critical guide for the future. I wish to thank the Finance Committee for their unwavering support and guidance as MNL works to secure long-term financial stability in the years ahead.

Overview In 2022, MNL's financial position was a deficiency of revenues over expenses of \$176,070. This included \$119,674 in amortization expenses (from building and equipment), and \$47,396 from day-to-day operational expenditures.

In terms of revenue, MNL saw more revenue from events in 2022, but less project revenue whereas many programs were concluded in the previous fiscal year. Meeting and event revenue for 2022 was \$568,191 compared to \$480,910 in the previous year. Projects revenue was \$160,570 compared to \$379,518. This made up the difference of revenues year over year. The change in project revenue was anticipated with numerous projects from the pandemic period concluding.

In terms of expenses, MNL operated on a lean budget and had approximately \$34,729 in additional expenditures in 2022. Interest on MNL's long-term debt and professional services made up most of the extra operational expenses for the year. Total expenses for 2022 were \$1,746,650 compared to \$1,711,921 in the previous year. Cash holdings included an additional \$41,401, for a total of \$505,757 at the end of the year.

In an ever-evolving economic landscape, with interest rates at all-time highs, it is imperative MNL work with its new financial management consultant, MNP Financial Services, to set a new course for the next 3-5 years. While last year was a challenging year for MNL, the Board of Directors and staff are optimistic about the years ahead.



Investment Activities

MNL maintained three investments with CIBC in 2022. These GIC term deposits were valued at \$97,704 at the end of the year, an increase of \$1,262 (interest earned). The interest rate on these investments is expected to increase as bank lending rates increase.

Outlook

MNL will continue to focus on expanding its programs and services and exploring new revenue generating opportunities where constraining expenses were possible. At the same time, we will find new sources of program funding and work toward finding greater efficiencies in our day-to-day operation. We plan to implement a new, stronger financial reporting process in 2023 that will help MNL plan better for the years ahead. The engagement of MNP Financial Services, and the work of our Finance Committee, will further focus these efforts to ultimately create a plan for long-term sustainability for our organization. The foundation is strong. We move forward.

2022

Financial Highlights

Revenue: \$1,554,769

Expenses: \$1,746,650

Amortization: -\$119,674

Year End: -\$167,070

Balance Sheet

Assets: \$4,105,387

Liabilities: \$3,497,193

