

## Our Plan is Working

On behalf of the Board of Directors, I table the financial report for Municipalities Newfoundland and Labrador Inc. for the year ending December 31, 2023. I wish to thank the Finance and Administration Committee, the MNL Management Team, and MNP Financial Services for their unwavering support and guidance as MNL works to secure long-term financial stability in the months and years ahead.

### Overview

In 2023, MNL's financial position reflected a revenue deficiency compared to expenses, amounting to \$65,030. This shortfall is largely attributed to amortization expenses totaling \$113,908, which stem from past investments in buildings and equipment. Despite this, MNL posted an impressive operational surplus of \$48,876 for the year, marking the organization's first operational surplus in recent times—a significant improvement over the previous two years.

On the revenue side, MNL had a successful year. Event-driven revenue in 2023 surpassed expectations, while projects set to conclude in the near future brought in some additional income. Specifically, meetings and event revenue for 2023 amounted to \$750,885, compared to \$548,191 in the prior year. While the slight decrease in projected revenue was expected, the organization remains optimistic about its revenue streams, particularly as new projects are on track for 2024 and beyond.

MNL also maintained fiscal discipline in 2023, operating on a lean budget for the second consecutive year. The focus was on stabilizing expenditures for the long-term, and the results reflect that commitment. Overall, expenses were tightly controlled, falling from \$1,745,450 in 2022 to \$1,609,397 in 2023. The reduction in costs was primarily driven by lower operational expenses, particularly in areas related to long-term debt and professional services. One notable exception to the downward trend in costs was mortgage-related expenses, which are expected to taper off in the coming months due to favorable interest rates.

As MNL continues to solidify its financial footing, the progress made in 2023 is particularly encouraging. The organization's headquarters is now fully leased, events have resumed in line with pre-pandemic levels, and programs and services continue to expand. The Board of Director and Finance and Administration Committee is particularly pleased with these developments and remains confident in MNL's ability to sustain this momentum. Looking ahead, MNL plans to maintain its partnership with MNP Financial Services for the remainder of 2024 and likely into 2025. The goal is to further improve financial decision-making processes and implement more effective reporting practices to ensure long-term stability and growth.



Mayor Dale Colbourne,  
Finance Chair

### Investment Activities Outlook

In 2023, MNL held three investments with CIBC. The value of these GIC term deposits has grown to \$100,357, up from \$97,704 at the close of 2022. By the end of 2024, all investments will be moved to MNL's High Interest Pooled Savings Account, providing liquidity and earning over 5% annually.

MNL remains committed to expanding its programs and services while exploring new revenue-generating opportunities, all while maintaining cost-consciousness. Simultaneously, we will seek additional sources of program funding and focus on enhancing efficiency in our daily operations.

In 2023, we aimed to implement a stronger financial reporting process that would set MNL up for success in the years ahead. Much progress has been made in this regard. The involvement of MNP Financial Services, along with the dedicated efforts of our Finance Committee and MNL Management Team, has made a tremendous positive impact ultimately crafting a sustainable, proven, long-term plan for the organization.

Our foundation is now strong, and we are moving ahead with confidence.

