

MNL’s strong cash balance in 2018 allowed us to invest in our people, our property, and our processes. The investments we’re making are setting MNL up for a sustainable future, where we can best respond to the changing needs of our members. I want this document to be a reference of the changes made to MNL, and how we plan to improve MNL’s finances in the long term.

**First and most important is our team.**

2018 was a year of change for MNL, and this change accelerated into 2019. Rodney Codner joined MNL in September 2018, as the Director of Finance. Bradley Power joined our team in May 2019, as the Membership Development Manager. As well, throughout the last year, Renee Sharp has expanded her role, taking on many of MNL’s accounting duties.

**Financial results in 2018 reflects a changing MNL, an investment in the future.**

The purchase of Mews Place, the timing of project revenue, and the organizational restructure were all of significant impact to MNL’s 2018 financial statements. MNL’s balance sheet grew by \$2.8 million, while the statement of revenues and expenses posted a deficit of (\$144,980). Overall, revenue decreased by 13%, due to the drop in NEAR program funding. Revenue from membership activities was up 2%, while the associated expenses were down 14%, largely due to MNL’s 2018 cost savings initiative.

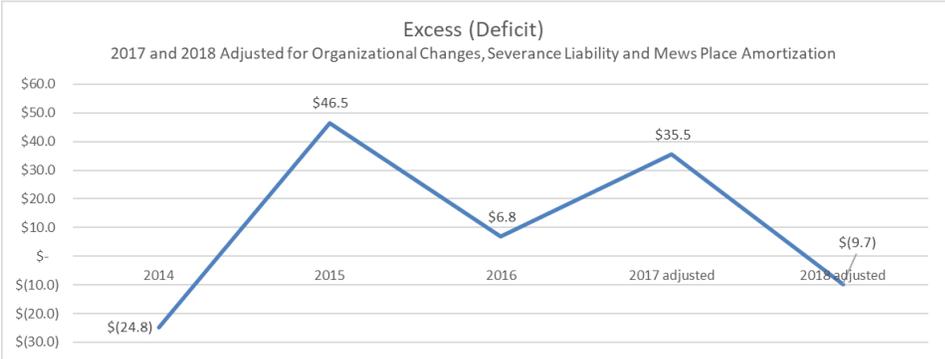
**However, these numbers do not tell the whole story.**

With the organizational restructure and investment in Mews Place, MNL had planned for a deficit for 2018. However, the deficit was larger than anticipated due to the amortization of Mews Place. Because of the significant impact of amortization, not only in 2018, but the foreseeable future, it’s important the we go into some detail about how it impacts our financial statement. From 2018 through 2022, the amortization on Mews Place will be:

- 2018: 50k
- 2019: 110k
- 2020: 105k
- 2021: 100k
- 2022: 95k

This is a non-cash transaction but will still show on our financial statements as an expense. Given this, including amortization, MNL is projecting a deficit of \$131,000 in 2019.

The costs associated with the 2018 organizational change, severance liability and Mews Place amortization are not typical of MNL’s operations. When adjusted for these expenses, MNL’s net expenses are in line with historical range.



**Our organization exists to serve you, our members.**

From a financial perspective, we are prioritizing diversifying our revenue streams, while improving our financial governance. In 2019, MNL entered into two memorandums of understanding; one with the Rural Municipalities of Alberta and another with the College of the North Atlantic. These partnerships will bring much needed cost savings and training to you, our members.

Strong financial governance is a top priority to MNL. Over the last year, MNL has made great improvements in this area, including; a greater focus on disciplined spending, implementation of electronic fund transfers, and increased segregation of duties. We will continue to improve our financial governance into 2020 and beyond.

**We live in times of great change, and this organization will not stand still.**

This is my last report as the treasurer of MNL, as I will gratefully be taking on the role of MNL's vice president. I am proud of the success we have made in recent years; the changes to the organization, the move to Mews Place, and the modernization of our accounting practices. I am confident that these changes have set MNL up for a successful future.