

Finance Report

Mayor Dale Colbourne

Our financial situation is improving. We have turned a corner. The plan is working.



2020

Last year was one we will never forget. Not only did it change everyone's lives, but it had a significant financial impact on the non-profit sector and on MNL. The pandemic meant we missed out on approximately \$450,000 in event revenue. We cut operating costs wherever possible, including the decision not to fill a staff position for the time being. We were also able to access federal emergency funding to temporarily assist with lost lease revenue and to support wages.

Some changes to our operations were temporary, but we've also used the pandemic as an opportunity to make lasting changes to the way we do business. Meetings are online whenever possible. We continue to find ways to access external funding to support our membership programs, putting less of a strain on our internal resources. Not only are these changes making us more financially sustainable, but they are also improving our ability to deliver quality membership programming.

In our financial report from May, we told you we expected a deficit of approximately \$70,000 for 2020. In fact, we have done far better than that.

Our audited financial statements for 2020 show a surplus of \$447,882. However, this includes the net proceeds from the sale of 460 Torbay Road. If we back out this one-time revenue, we have a nominal deficit of \$4,819. That's only 0.4% of our annual revenue. This is no small feat in a year when the pandemic closed off our biggest revenue sources.

From a cash management perspective, the story is even better. Our financial statements include an expense called Amortization. This is a non-cash item that reflects the value of our building that we write

off each year. When our expenses are adjusted to remove Amortization, we end 2020 with a \$128,677 surplus from operations.

Looking forward

In 2020 we adapted our financial plan to address the new realities of operating in a pandemic. We worked to ensure our financial management and reporting practices were solid and allow us to react quickly to challenges and opportunities. That approach is serving us well through 2021. Barring an unplanned, significant revenue hit, we expect to end this year with a healthy surplus.

It is critically important that MNL work to continue budgeting and achieving annual surpluses. Our experience through the pandemic proved the importance of having a healthy cash balance in case of emergencies. However, planning for retained earnings also allows us to quickly act on important advocacy issues with research or public campaigns without significantly impacting our core operating budget.

In 2022 MNL will release our five-year budget projection. This projection will include a review of membership fees, including the way they are calculated. For 2022, there is no increase to the membership fees. This marks the fourth consecutive year with no fee increases.

I want to thank our staff for their continued hard work to deliver us the kinds of results we are seeing in this report. I also want to thank my Board of Directors colleagues for their diligence in providing the vision and guidance to keep the ship on course.

Mayor Dale Colbourne,
Finance Chair