



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

ANNUAL GENERAL MEETING

14 February 2020

To our valued member,

Please find attached the Notice/Agenda and the Chairman Report for the 25 February 2020 Annual General Meeting of the St. George's Foundation.

The entire AGM package as listed below is available online at www.stgeorgesfoundation.org/XXXXXXXXXXXXX.

1. Notice/Agenda for the St. George's Foundation Annual General Meeting on Tuesday 25 February 2020
2. Minutes of the St. George's Foundation Annual General Meeting on Tuesday 13 November 2018
3. 2019 Chairman Report
4. 2019 Treasurer Report
5. Unaudited financial statements for year ending March 2019
6. Management accounts for six months ending September 2019
7. 2019 General Manager Report

If you need to renew, please visit www.sgf.bm to renew your membership online or contact us at manager@sgf.bm or 297-8043.

We look forward to seeing you!

Yours sincerely,

Peter Frith

The St. George's Foundation

FINANCIAL STATEMENTS

March 31, 2019

(UNAUDITED)

Notice To Reader

To the Members of The St. George's Foundation:

On the basis of information provided by management of The St. George's Foundation, I have compiled the statement of financial position of The St. George's Foundation as at March 31, 2019 and the statement of operations, the statement of changes in net assets, and the statement of cash flows for the years then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Hamilton, Bermuda
November 19, 2019

A handwritten signature in blue ink, appearing to read 'T. Boyd', is positioned above a horizontal line.

Todd Boyd, CPA, CA

THE ST. GEORGE'S FOUNDATION
STATEMENT OF FINANCIAL POSITION
as at March 31, 2019
(expressed in Bermuda dollars)
UNAUDITED

	2019	2018
CURRENT ASSETS		
Cash <i>(Note 9)</i>	7,043	\$ 2,868
Rent receivable <i>(Note 13)</i>	7,000	10,500
	14,043	13,368
CAPITAL ASSETS <i>(Note 5)</i>	1,393,767	1,585,683
ANTIQUE FURNITURE <i>(Note 6)</i>	58,500	58,500
	1,466,310	1,657,551
CURRENT LIABILITIES		
Accounts payable and deposits <i>(Note 12)</i>	\$ 94,523	\$ 76,288
Deferred membership fees and dues	23,696	23,064
	118,219	99,352
DEFERRED CONTRIBUTIONS <i>(Note 4)</i>	1,931,774	2,199,233
	2,049,993	2,298,585
NET DEFICIENCY		
Net assets invested in capital assets and antique furniture	1,837,694	1,644,183
Net assets restricted for endowment purposes <i>(Notes 7 and 11)</i>	18,292	18,292
Deficiency in unrestricted net assets	(2,439,669)	(2,303,509)
	(583,683)	(641,034)
	\$ 1,466,310	\$ 1,657,551

APPROVED BY THE BOARD:

Chairman

Treasurer

THE ST. GEORGE'S FOUNDATION
STATEMENT OF OPERATIONS

Year Ended March 31, 2019
(expressed in Bermuda dollars)

UNAUDITED

	2019	2018
REVENUES		
Non restricted income	150,662	164,207
Membership fees and dues	44,193	52,235
Donated audit services <i>(Note 14)</i>	-	36,000
	194,855	252,442
EXPENSES		
Staffing	128,816	153,189
Facilities	51,816	92,315
Outside services	7,671	55,538
Office	20,889	23,035
Goods	2,260	3,959
	211,452	328,036
EXCESS OF EXPENSES OVER UNRESTRICTED REVENUES		
BEFORE AMORTIZATION	(16,597)	(75,594)
AMORTIZATION		
Amortization of deferred contributions <i>(Note 4)</i>	267,459	267,461
Less: Amortization of capital assets	(193,511)	(193,433)
	73,948	74,028
EXCESS / (DEFICIT) OF REVENUES OVER EXPENSES	\$ 57,351	\$ (1,566)

THE ST. GEORGE'S FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31, 2019
(expressed in Bermuda dollars)

UNAUDITED

		Invested in capital assets and antique <u>furniture</u>		Restricted for endowment <u>purposes</u>	<u>Unrestricted</u>	<u>Total 2019</u>	<u>Total 2018</u>
BALANCE BEGINNING OF YEAR							
BROUGHT FWD	\$	1,644,183	\$	18,292	\$ (2,303,509)	\$ (641,034)	\$ (639,468)
(Deficiency)/excess of expenses over revenues		193,511		-	(136,160)	57,351	(1,566)
<hr/>							
BALANCE END OF YEAR	\$	1,837,694	\$	18,292	\$ (2,439,669)	\$ (583,683)	\$ (641,034)
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THE ST. GEORGE'S FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended March 31, 2019
(expressed in Bermuda dollars)
UNAUDITED

	2019	2018
OPERATING ACTIVITIES		
Excess / (Deficit) of revenues over expenses	\$ 57,351	\$ (1,566)
<i>Items not involving cash movement</i>		
Amortization	193,511	193,433
<i>Changes in assets and liabilities:</i>		
Rent receivable (Note 13)	3,500	16,500
Donation receivable	-	15,000
Accounts payable and accrued liabilities	18,235	43,597
Deferred membership fees and dues	632	(4,535)
Deferred contributions	(267,459)	(267,461)
	5,770	(5,032)
Net cash provided / (used) from operating activities		
INVESTING ACTIVITIES		
Purchase of capital assets	(1,595)	-
	(1,595)	-
NET INCREASE / (DECREASE) IN CASH	4,175	(5,032)
CASH, BEGINNING OF YEAR	2,868	7,900
CASH, END OF YEAR	\$ 7,043	\$ 2,868

THE ST. GEORGE'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

(expressed in Bermuda dollars)

UNAUDITED

1. NATURE OF ORGANIZATION

The St. George's Foundation (the "Foundation") was incorporated by ratification of its charter and by-laws on October 30, 1997. The Foundation is a not-for-profit organization and also a Bermuda Registered Charity #454. Governance and oversight consists of a board of trustees and a small contingent of full and part time staff. Volunteers are an important component in the execution of the operations of the Foundation. Funding is provided by a paid membership base as well as donations provided by members of the public and organizations.

The primary activities of the Foundation are devoted to preserving the history and heritage of the historic town of St. George and its related fortifications, a UNESCO World Heritage Site. Through restoration and enhancement projects and a variety of educational initiatives, the Foundation's mandate is to ensure that properties of historical significance are preserved and that the history of the parish of St. George's is showcased for residents and visitors alike. The Foundation will partner with other like-minded groups in Bermuda provided these efforts dovetail with the Foundation's mandate.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada ("Part III"). The preparation of financial statements in conformity with Part III requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant accounting policies are as follows:

Revenue recognition

The Foundation follows the deferral method of accounting for contributions and pledges. All contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions and pledges can be designated for use on certain Foundation projects at the request of the donor. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Pledges receivable are amounts that have been promised to the Foundation but have not as yet been received. Contributions are amounts that have been received as cash. Pledges are recognized as receivable when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured. Amounts relating to expected receipts in future years are recorded as long-term pledges receivable and deferred on the statement of financial position.

Endowment contributions are recognized as direct increases in net assets.

Rental income from property space under the management of the Foundation are accrued as earned.

THE ST. GEORGE'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

(expressed in Bermuda dollars)

UNAUDITED

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets

Capital assets are amortized on a straight-line basis over the estimated useful lives of the assets. The amortization periods are as follows:

Furniture/exhibits	5 years
Computer equipment	5 years
Leasehold improvements	20 years

Donated services

The Foundation records the value of donated services at fair value when the fair value can be reasonably estimated, and the services are normally purchased and would be paid for if not donated. The Foundation is dependent on donated services of many volunteers. Due to the difficulty in determining their fair value, the value of the volunteer services is not recognized in the financial statements. Audit fees are recorded at their fair value in the statement of operations.

Website costs

Costs relating to the administration, hosting and enhancement of the Foundation's website are expensed as incurred.

Deliverance full-scale model

The Foundation spends material amounts maintaining the full scale model of the Deliverance seen in the town of St. George. These amounts are expensed as incurred.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all financial assets and liabilities at amortized cost which consist of cash, donations receivable, rent receivables and accounts payable and accrued liabilities, deferred.

Membership fees

While the Foundation uses an August 31 year-end for annual membership drive purposes, members of the public are welcome to join the Foundation at any time. Membership fees are deferred upon receipt and then amortized into income over the ensuing twelve months.

THE ST. GEORGE'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

(expressed in Bermuda dollars)

UNAUDITED

3. PRIOR PERIOD ADJUSTMENT

Opening net assets was increased by \$7,290 because in fiscal 2017 a liability of that amount was charged against the statement of operations rather than against the liability. As a result the closing net deficiency on March 31, 2017 was adjusted from \$646,758 to \$639,468 and the accounts payable on March 31, 2018 decreased from \$83,578 to \$76,288.

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent amounts received in the current and prior periods for which related expenditures will be incurred in a subsequent periods. Changes in the deferred contributions balance are as follows:

	Balance March 31, 2018	Contributions received	Recognized as revenue	Balance March 31, 2019
Designated contributions				
Capital campaign	\$ 2,132,565	\$ -	\$ (261,127)	\$ 1,871,438
Patience model	7,377	-	(1,321)	6,056
Signage	59,291	-	(5,011)	54,280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 2,199,233	\$ -	\$ (267,459)	\$ 1,931,774
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. CAPITAL ASSETS

Capital assets consist of the following:

	Cost 2019	Accumulated amortization 2019	Net book value	
			2019	2018
Furniture/exhibits	\$ 1,016,248	\$ 1,016,248	\$ -	\$ -
Computer and other equipment	16,092	14,683	1,409	-
Leasehold improvements	3,866,493	2,474,135	1,392,358	1,585,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 4,898,833	\$ 3,505,066	\$ 1,393,767	\$ 1,585,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE ST. GEORGE'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

(expressed in Bermuda dollars)

UNAUDITED

6. ANTIQUE FURNITURE

An antique cedar cupboard was donated to the Foundation by an anonymous donor. The Foundation incurred \$58,500 in prior years to complete its restoration. As management is of the opinion that this asset's value will appreciate, it is not amortized and any appreciation in value will be recognized if the asset is sold to an unrelated buyer dealing at arm's length with the Foundation. Any loss in value will be recognized when a decline that is other than temporary occurs.

7. ENDOWMENT CONTRIBUTIONS

Included in net assets restricted for endowment purposes are donated funds of \$ 18,292 (2018: \$18,292) which are subject to externally imposed restrictions stipulating that the resources be maintained permanently for purposes of the Revolving Fund for restoration of buildings in St. George's. Interest income earned on these funds is unrestricted. There were no changes in net assets restricted for endowment purposes during current year or the prior year.

8. RELATED PARTY TRANSACTIONS

Up to February 28, 2018 the Foundation rented its office location space at 16 Water Street for a fee of \$ 6,600 (2018: \$7,200). The office space was rented from an entity which has an affiliation with a member of the Foundation's Board of Trustees. The rent is discounted at a charity rate which is below fair market value. During March, 2019 the office location was relocated to the World Heritage Center where no rent is incurred.

9. RISK MANAGEMENT

Credit risk

Credit risk is the potential that a financial counterparty will fail to satisfy its obligations in accordance with agreed terms and conditions. As of March 31, 2019 and 2018 the Foundation held one cash account with a local bank. The Foundation also holds financial instruments as described in note 2. The Foundation does not require collateral or other securities to manage the credit risks associated with its financial instruments.

Liquidity risk

Liquidity risk is the risk the Foundation will not be able to meet its financial obligations as they fall due. The Foundation is dependent on membership fees, private donations, admission fees, rental income, ticket sales for events and sponsorships to maintain sufficient cash flows. The Foundation anticipates cash flow needs and requests the necessary funding from private donors and organizations to manage their liquidity risk.

Market and economic risks

The Foundation is exposed to the risk that membership dues, admission fees, rental income, donations, contributions or sponsorships may decrease due to adverse changes in the market place and the overall

THE ST. GEORGE'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

(expressed in Bermuda dollars)

UNAUDITED

local economy. Such declines would have a negative effect on the Foundation's ability to generate income, all of which are derived from Bermuda-based organizations and members of the public. The Foundation does not engage in any hedging activities to mitigate the risks associated with adverse changes in the market place or the local economy.

10. LEASE

On November 16, 2002 the Foundation entered into a long-term lease with the Corporation of St. George for the premises known then as the Queen's Warehouse, for 999 years for a nominal consideration of one bale of cotton. Today these premises are known as the World Heritage Center.

11. CAPITAL DISCLOSURES

The Foundation manages externally restricted donations, as outlined in Note 7, totaling \$18,292 (2018: \$18,292). The Foundation has complied with all externally imposed capital requirements during the year.

12. GOVERNMENT REMITTANCE PAYABLE

Included in accounts payable and accrued liabilities is \$ 14,629 (2018: \$8,943) due to the Bermuda Government.

13. RENTAL PROPERTY

The Foundation rents out the theatre and kitchen spaces within the World Heritage Center. The theatre area is rented to the East End Church of Christ and the kitchen spaces are rented out to two local vendors who specialize in Bermuda cuisine.

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2019 the trustees reorganized the Foundation into a non-profit company limited by guarantee. As part of this process the trustees were transitioned into the new directors and voting members of this new company. The operations and charity status of the Foundation were never affected.

The Foundation also successfully applied to the Charities Commission for exemption from the requirement to file annual audited financial statements as outlined in the Charities Regulations 2014.

Also subsequent to March 31, 2019 the Foundation ceased to operate the Deliverance since a decision was made not to renew its expired lease with the Corporation of St. George.



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

2019 Treasurer Report

Dear Members:

Thank you for attending this years' AGM.

Last year I conveyed to all of those at our last AGM that we needed to talk about re-organizing the Foundation since change was required if we were to continue as a going concern. To this end, since March 31, 2019, we have reorganized ourselves into a non-profit company limited by guarantee. As part of this process the trustees were transitioned into the new directors & voting members of this new company. This process was necessary to better manage risk and to attract and keep talent on the board.

Overall results:

During fiscal 2019 and 2018 the Foundation was under a great deal of financial pressure to maintain the Deliverance and the World Heritage Center (WHC). As a result in fiscal 2019 we continued to incur a net financial loss before amortization of \$16,597. While this loss is considerably more favourable than the prior years' loss of \$75,594, we were nevertheless forced to act since our cash position remained intolerably low and our current accounts payable were growing unabated.

Understanding the nature of the financial statements:

Unlike many organizations, the financial results of the Foundation are much more impacted by allocations made to satisfy financial reporting rules than by economic transactions occurring during the reporting year which have a current or future cash flow effect. Looking at the statement of operations, the largest revenue item (i.e. campaign income) and the largest expense item (i.e. amortization) reflect these type of allocations.

Looking at the statement of operations:

(i) Campaign income and amortization of capital assets:

The campaign income of \$267,459 (2018: \$267,461) is a result of amortizing our deferred contributions of \$1,931,774 (2018: \$2,199,233). The amortization expense of \$193,511 (2018: \$193,433) is a result of allocating the cost of the Foundation's capital assets. Under financial reporting rules, the net effect of the campaign income less amortization is technically a net gain of \$73,948 (2018: \$74,028), however the current and future cash flow effects of these "net gains" are zero. With this in mind you really need to pay much more attention to our net **loss** before amortization of \$16,597 (2018 loss: \$75,594) rather than our net income after amortization of



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

2019 Treasurer Report

\$57,351 (2018 loss: \$1,566). Failure to do so will probably result in the reader reaching the incorrect conclusion about the true net financial results of our operations.

(ii) Non restricted donations:

Non-restricted donations of \$150,662 (2018: \$164,207) are mainly comprised of sales and admission fees originating from the WHC; unrestricted donations (e.g. persons and organizations simply donating sums of money); receipts from special events (e.g. dinners, receptions, raffles) and rental revenue from three tenants using space within the WHC. The net fluctuation this year was slightly down mainly because last year admissions to the WHC was up \$10k thanks to the Americas Cup effect and a raffle the previous year enhanced fiscal 2018's results too.

(iii) Membership dues and fees:

There has been a fall in those renewing their memberships, but we do have a plan in place to enhance our membership base.

(iv) Staffing:

Staffing is down because commencing the winter of 2018/19 we needed to scale back the hours of our staff.

(v) Facilities:

Facilities expense includes items like electricity; insurance; repair & maintenance, including restoration work on the Deliverance. Facilities expense has fallen primarily because in fiscal 2018 we spent almost \$30k on fumigating the World Heritage Center. For this year we have spent \$7k less repairing the Deliverance since a decision was made not to renew the Deliverance lease which expired on August 31, 2018.

(vi) Outside services:

Outside services includes mainly our auditing and bookkeeping fees as well as some other smaller fees that might include printing. This year's total was down because we received an audit waiver from the charities commission. On the subject of our audit, our audit payable for fiscal 2018 was waived.

Looking at the statement of financial position:

i. Capital assets:

The net book value of our capital assets of \$1,393,767 (2018: \$1,585,683) is nothing more than the unamortized portion of our leasehold improvements, 96% of which is related to the WHC



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

2019 Treasurer Report

with the remaining 4% going towards signage and the Patience model. This “asset” value may seem very “attractive”, however its carrying value is more to do with satisfying accounting rules, and less to do with estimating the future value of the cash flows expected from the assets. Given these traits and the fact that this is an intangible asset is one of the reasons we received an audit waiver from the charities commission.

ii. Accounts payable:

Our accounts payable of \$94,523 (2018: \$76,288) rose because we needed to defer paying many of our vendors and creditors so that we could make payroll and related expenses.

iii. Deferred contributions:

The largest figure on the balance sheet is the deferred contributions of \$1,931,774 (2018: \$2,199,233) which arose many years ago from the capital campaign. Under accounting rules we were not permitted to recognize the proceeds of this capital campaign as revenue when the cash was received. Instead the value of the total cash receipts were deferred on the balance sheet as a “long-term liability”. Campaign revenue is charged against the deferred contributions only at the same rate as depreciation is charged against our capital assets. As already explained, the campaign income harvested from the unamortized deferred contributions balance is not a cash item, nor will it ever become one. We therefore should not view our campaign income as a current source of cash. It is merely an accounting exercise to satisfy the matching principle dictated by accounting rules and standards. It will be another five years before the deferred contributions are written off, hence for another five years our net income after amortization will seem at first glance much better than our true performance. Another reason why we were able to receive the audit waiver was because of the nature of the campaign revenue.

Looking ahead:

Along with your AGM pack you should find our financial results for the six months ended September 30, 2019. These results confirm that the transition and our efforts to rationalize the operations of the Foundations have reversed the financial declines experienced in the past. Since March 31, 2019 our cash position has improved by \$30k and our accounts payable have fallen by \$22k. For the six months ended September 30, 2019 our net income before amortization has risen by \$77k compared to the year ended March 31, 2019. Our ratio of current assets to current liabilities has risen almost 4-fold from 0.12 on March 31, 2019 to 0.49 on September 30, 2019. These statistics confirm that we have reversed our



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

2019 Treasurer Report

financial declines and that within the foreseeable future we should find ourselves back into financial solvency.

Getting people involved:

The Foundation's continued success will rest more and more on those willing to volunteer. We need people who can hone their talents to increase our membership base. We would also be most grateful if volunteers could step forward to help the Foundation with its efforts to maintain the World Heritage Center. If anyone can dedicate a certain amount of time on certain days, then please advise myself at 297-4032 or Peter Frith at 297-8043 or 536-1637, or any of our board members.

I would like to thank Karen Olson for volunteering her time every month throughout the year to complete the monthly bookkeeping and Peter Frith for the assistance he has given me since I joined the Foundation. Also, I would like to extend a special thanks to all of the board members for their continued support.

Peter Barrett
Treasurer



The St. George's Foundation

Bringing Bermuda's History to Life within the UNESCO World Heritage Site

2019 Chairman Report

Dear Members:

I start this report by dedicating the 25 February 2020 Annual General Meeting to the memory of our good friend and past employee Debbie Loader, who recently passed. For 13 years, Debbie was the General Manager of the World Heritage Centre and the heart of Second Hand Rose. Her spirit and determination was an integral part of the St. George's Foundation, as she was to St. George's. On behalf of the Board, our heartfelt condolences go out to her family and friends.

Fiscal 2019

Since our last Annual General Meeting, the Board of the St. George's Foundation (SGF), together with the General Manager, has put in a tremendous amount of hard work and preparation for the organisation's future.

The Board started with an offsite 360° review, which quite frankly was a harsh reality check. Of huge concern was the mounting debt. Overheads associated with operating three facilities – the World Heritage Centre (WHC), Deliverance replica and a separate administration office – along with the burden of fulltime salaries were easily engulfing and endangering SGF's revenues. Further, as SGF was an unincorporated association, legal advice confirmed that the membership and trustees were directly liable, triggering two new Trustee resignations. Quick and urgent action was required.

On legal advice, the Board started the process of forming a Company Limited by Guarantee to house SGF and protect the membership and trustees from liability. Operational finances were reviewed and cash closely monitored. Payables were strategically managed and receivables were collected. Opening hours for the WHC and Deliverance as well as staff working hours were decreased. The administration office was shut down and operations were consolidated at the WHC. Membership data was reviewed and a major mail out to lapsed members was conducted. Grant applications were submitted.

Gratefully, at the end of fiscal 2019, confirmation was received of SGF's successful grant application to the Bank of Bermuda Foundation (BoBF) in the amount of \$40K to support general operations with a funding condition of conducting a needs assessment.

Overall, the quick and effective decisions made by the Board in combination with the successful BoBF grant, laid the ground work for the fiscal 2020 turnaround of SGF.

Fiscal 2020

In the current year, SGF continued with the internal review and reorganisation process. Operationally, the decision was taken to not renew the Corporation of St. George Deliverance lease, allowing SGF to focus energies on the WHC. Accounting practices and processes continue to be updated, including setting up a new Chart of Accounts in QuickBooks for year 2021 and recruiting a new volunteer bookkeeper. SGF received a provisional waiver from the requirement to submit audited financials, an annual savings of \$9K along with substantially less administrative burden.

The new limited by guarantee company, "The St. George's Foundation" was formed June 2019, changing the SGF governance structure. As it is a company, the new entity's shareholders are the "Voting Members" who appoint a "Board of Directors". To be consistent and to provide for a clean transition, the Board of Trustees plus three new members, being Cheryl Hayward-Chew (Chair), Louise Wakefield (Deputy Chair), Peter Barrett (Treasurer), Wendy Percy (Secretary), Neil Moncrieff, Quinell Francis and Stephen Lowe, were appointed both Voting Members and Directors.

It is worth noting here that parallel to the Board activities and ongoing operations, SGF was an active member of the World Heritage Site Management Committee (WHSMC), advisory body for the temporary Heritage Officer who was tasked with writing the draft 2020-2025 World Heritage Site (WHS) Management Plan. The Heritage Officer completed her contract June 2019 at which time she submitted the draft management plan to the Department of Planning. The WHSMC continued to meet monthly in anticipation of the release of the plan but on October 2019 suspended meetings due to the lack of WHS technical and administrative support, traditionally supplied by the Heritage Officer. As of the date of this report, the Bermuda Government has not yet released the WHS 2020-2025 Management Plan.

SGF was required to produce two outcomes associated the \$40K BoBF grant – a needs assessment report with recommendations and to "provide educational, cultural and historical information to 175 public education students to encourage connection and insight to Bermuda's history." The latter was fulfilled through the heritage tour program

already in place, conducted by the General Manager and in collaboration with the Bermuda National Trust and St. George's Historical Society. Thanks to the tracking and reporting requirements of the BoBF grant, the exercise provided documentation of the important role SGF plays in educating Bermuda's children about the history of our Town of St. George, a UNESCO World Heritage Site. During the March to December 2019 period, the General Manager's Heritage Student Program hosted 554 students, 421 of whom were public education students, 241% of the BoBF grant goal.

The BoBF grant requirement of a needs assessment was completed July 2019. Feedback was collected from 50 participants from a variety of backgrounds, including education, business, heritage and government. The report provided the Board with affirmation of the important role and brand of SGF, recommending that SGF's mission and focus be refined and that SGF work in collaboration with key stakeholders. As a first step to confirm if there was stakeholders' consensus on the role of SGF, inconclusive meetings were held with the Permanent Secretary of Home Affairs under which the WHS and the Department of Planning fall; Minister Foggo, MP Ming and MP Swan; and Mayor Dowling and Town Manager Foggo.

Looking to the Future

After taking into consideration the feedback from the 2019 needs assessment report and the strengths of our current heritage tour program, the Board has narrowed SGF's focus as reflected in the new mission statement:

“To support the UNESCO World Heritage Site
through collaboration, education and awareness.”

The Board is seeking members and stakeholders who are interested in serving on or supporting the SGF Education Working Group led by Director and past Mayor Quinell Francis.

Concurrently, the Board is reviewing options for the World Heritage Centre, which is leased from the Corporation of St George for a nominal rent. SGF is a small organisation and the burden of maintenance and upkeep, both in terms of cost and oversight, is not necessarily the best use of its resources. For the next three months, members are invited to submit feedback and suggestions to the Board regarding the World Heritage Centre building and property; after which the Board will commence dialogue with the Corporation of St. George.

In closing, the Board of the St. George's Foundation is excited about the new direction of the organisation and the potential to have meaningful, positive impact for the residents and visitor to the Town of St. George and Bermuda's UNESCO World Heritage Site.

Acknowledgements

On behalf of the St. George's Foundation Board, I would like to thank the following:

- *General Manager Peter Frith for his tenacious spirit as we navigated this difficult year along with Alison Correia who supports the World Heritage Centre operation;*
- *our amazing volunteers including*
 - o *administrator Carol McCormick who departed Bermuda in June 2019, Patty Betcher assisted by her husband Allan, Debbie Montgomery; and*
 - o *outgoing accounting administrator Karen Olsen along with Myra (Patricia) Simmons, our new volunteer bookkeeper;*
 - o *the ladies at Second Hand Rose*
- *Craig Rothwell of CHW and Kit Cunningham of Beesmont for their legal assistance;*
- *Richard Winchell and Tom Conyers for their non-profit advice and support;*
- *Vivian Carter and the Bank of Bermuda Foundation;*
- *Deloitte for their past assistance and waiving of their 2018 audit invoice;*
- *the Meyer Group of Companies for support during this transition with accounting support and meeting facilities;*
- *and finally our valuable members, whether corporate or individual, large or small.*

Cheryl Hayward-Chew
Chairman

THE ST. GEORGE'S FOUNDATION
STATEMENT OF FINANCIAL POSITION
as at September 30, 2019
(expressed in Bermuda dollars)
UNAUDITED

	Sept 30 2019	March 31 2019
CURRENT ASSETS		
Cash <i>(Note 9)</i>	36,990	\$ 7,043
Rent receivable <i>(Note 13)</i>	6,293	7,000
	43,283	14,043
CAPITAL ASSETS <i>(Note 5)</i>		
ANTIQUE FURNITURE <i>(Note 6)</i>	1,296,945	1,393,767
	58,500	58,500
	1,398,728	1,466,310
CURRENT LIABILITIES		
Accounts payable and deposits <i>(Note 12)</i>	\$ 72,595	\$ 94,523
Deferred membership fees and dues	14,610	23,696
	87,205	118,219
DEFERRED CONTRIBUTIONS <i>(Note 4)</i>		
	1,798,046	1,931,774
	1,885,251	2,049,993
NET DEFICIENCY		
Net assets invested in capital assets and antique furniture	1,934,516	1,837,694
Net assets restricted for endowment purposes <i>(Notes 7 and 11)</i>	18,292	18,292
Deficiency in unrestricted net assets	(2,439,331)	(2,439,669)
	(486,523)	(583,683)
	\$ 1,398,728	\$ 1,466,310

THE ST. GEORGE'S FOUNDATION
STATEMENT OF OPERATIONS
For the Six Months Ended September 30, 2019
(expressed in Bermuda dollars)
UNAUDITED

	April-Sept 2019	Yr-End Mar 2019
REVENUES		
Non restricted income	103,272	150,662
Membership fees and dues	25,038	44,193
Donated legal services	2,500	-
	128,310	194,855
EXPENSES		
Staffing	18,305	128,816
Facilities	22,068	51,816
Outside services	18,773	7,671
Office	8,851	20,889
Goods	59	2,260
	68,056	211,452
EXCESS OF EXPENSES OVER UNRESTRICTED REVENUES BEFORE AMORTIZATION	60,254	(16,597)
AMORTIZATION		
Amortization of deferred contributions <i>(Note 4)</i>	133,728	267,459
Less: Amortization of capital assets	(96,822)	(193,511)
	36,906	73,948
EXCESS / (DEFICIT) OF REVENUES OVER EXPENSES	\$ 97,160	\$ 57,351

THE ST. GEORGE'S FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS

For the Six Months Ended September 30, 2019

(expressed in Bermuda dollars)

UNAUDITED

	Invested in capital assets and antique <u>furniture</u>	Restricted for endowment <u>purposes</u>	<u>Unrestricted</u>	Sept 30 Total <u>2019</u>	March 31 Total <u>2019</u>
BALANCE BEGINNING OF YEAR					
BROUGHT FWD	\$ 1,837,694	\$ 18,292	\$ (2,439,669)	\$ (583,683)	\$ (641,034)
(Deficiency)/excess of expenses over revenues	96,822	-	338	97,160	57,351
BALANCE SEPTEMBER 30, 2019	\$ 1,934,516	\$ 18,292	\$ (2,439,331)	\$ (486,523)	\$ (583,683)

THE ST. GEORGE'S FOUNDATION
STATEMENT OF CASH FLOWS
For the Six Months Ended September 30, 2019
(expressed in Bermuda dollars)
UNAUDITED

	April to Sept 2019	Yr-End Mar 2019
OPERATING ACTIVITIES		
Excess / (Deficit) of revenues over expenses	\$ 97,160	\$ 57,351
<i>Items not involving cash movement</i>		
Amortization of capital assets	96,822	193,511
<i>Changes in assets and liabilities:</i>		
Rent receivable (Note 13)	707	3,500
Accounts payable and accrued liabilities	(21,928)	18,235
Deferred membership fees and dues	(9,086)	632
Deferred contributions	(133,728)	(267,459)
	<hr/>	<hr/>
Net cash provided / (used) from operating activities	29,947	5,770
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,595)
	<hr/>	<hr/>
NET INCREASE / (DECREASE) IN CASH	29,947	4,175
CASH, BEGINNING OF FISCAL YEAR	7,043	2,868
	<hr/>	<hr/>
CASH, SEPTEMBER 30, 2019	<u>\$ 36,990</u>	<u>\$ 7,043</u>