

The St. George's Foundation

FINANCIAL STATEMENTS

March 31, 2022

(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, 2022 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
May 13, 2022



Todd Boyd, CPA, CA

THE ST. GEORGE'S FOUNDATION
STATEMENT OF FINANCIAL POSITION
as at March 31, 2022
(expressed in Bermuda dollars)
UNAUDITED

	2022	2021
CURRENT ASSETS		
Cash <i>(Note 2(b))</i>	\$ 182,889	\$ 78,076
	182,889	78,076
CAPITAL ASSETS <i>(Note 2(g) and 3)</i>		
ANTIQUE EXHIBIT <i>(Note 4)</i>	909	782
	58,500	58,500
	242,298	137,358
CURRENT LIABILITIES		
Accounts payable and accrued liabilities <i>(Notes 2(b) and 9)</i>	\$ 16,824	\$ 18,270
Deferred membership fees <i>(Note 2(f))</i>	5,522	18,430
Deferred revenue <i>(Note 2(i))</i>	57,360	27,814
	79,706	64,514
NET ASSETS		
Guarantor paid up capital <i>(Note 8)</i>	\$ 50	\$ 50
Net assets invested in capital assets and antique exhibit	59,409	59,282
Net assets restricted for endowment purposes <i>(Notes 5 and 7)</i>	-	11,805
Surplus in unrestricted net assets	103,133	1,707
	162,592	72,844
	\$ 242,298	\$ 137,358

APPROVED BY THE BOARD:



Chairman



Treasurer

The accompanying notes are an integral part of these financial statements

THE ST. GEORGE'S FOUNDATION
STATEMENT OF OPERATIONS
For the year ended March 31, 2022
(expressed in Bermuda dollars)
UNAUDITED

	2022	2021
REVENUES		
Non restricted income <i>(Notes 2(d), 2(e))</i>	\$ 151,966	\$ 26,079
Membership dues <i>(Notes 2(f))</i>	48,578	23,425
Donated legal services <i>(Note 2(e))</i>	-	200
	200,544	49,704
EXPENSES		
Heritage and education <i>(Note 10)</i>	\$ 59,740	\$ 13,663
Outside services	23,375	320
Management and administration	21,368	23,513
Office and sundries <i>(Note 11)</i>	6,172	14,593
Facilities <i>(Note 11)</i>	-	18,569
	110,655	70,658
EXCESS / (DEFICIT) OF UNRESTRICTED REVENUES OVER EXPENSES BEFORE AMORTIZATION	89,889	(20,954)
AMORTIZATION		
Amortization of deferred contributions <i>(Note 11)</i>	-	1,664,311
Less: Amortization of capital assets <i>(Note 2(g))</i>	(141)	(1,200,151)
	(141)	464,160
EXCESS OF REVENUES OVER EXPENSES	\$ 89,748	\$ 443,206

The accompanying notes are an integral part of these financial statements

THE ST. GEORGE'S FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2022
(expressed in Bermuda dollars)
UNAUDITED

	Invested in capital assets and antique <u>exhibit</u>	Restricted for legacy endowment purposes	<u>Unrestricted</u>	Guarantor Paid Up <u>Capital</u>	<u>Total 2022</u>	<u>Total 2021</u>
BALANCE BEGINNING OF YEAR						
BROUGHT FWD	\$ 59,282	\$ 11,805	\$ 1,707	\$ 50	\$ 72,844	\$ (370,362)
Capital transfer	268	-	(268)	-	-	-
(Deficiency) / Excess of revenues over expenses	(141)	(11,805)	101,694	-	89,748	443,206
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BALANCE END OF YEAR	\$ 59,409	\$ -	\$ 103,133	\$ 50	\$ 162,592	\$ 72,844
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THE ST. GEORGE'S FOUNDATION
STATEMENT OF CASH FLOWS: INDIRECT METHOD
For the year ended March 31, 2022
(expressed in Bermuda dollars)
UNAUDITED

	2022	2021
OPERATING ACTIVITIES		
EXCESS OF REVENUES OVER EXPENSES	\$ 89,748	\$ 443,206
<i>Items not involving cash movement</i>		
Amortization of capital assets	141	1,200,151
<i>Changes in assets and liabilities:</i>		
Rent receivable	-	3,883
Accounts payable and accrued liabilities	(1,446)	(15,556)
Deferred membership fees and dues	(12,908)	10,477
Deferred revenue	29,546	27,814
Deferred contributions	-	(1,664,311)
	105,081	5,664
INVESTING ACTIVITIES		
Purchase of capital assets	(268)	(810)
	104,813	4,854
NET INCREASE IN CASH	104,813	4,854
CASH - BEGINNING OF YEAR	78,076	73,222
	\$ 182,889	\$ 78,076

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

March 31, 2022

(expressed in Bermuda dollars)

UNAUDITED

1. NATURE OF ORGANIZATION

The St. George's Foundation (the "Foundation") is a not-for-profit Bermuda company limited by guarantee and a registered charity, #454. As a registered Bermuda charity, the Foundation must at all times remain in compliance with the Charities Act 2014. Governance and oversight consists of a board of directors who serve gratis, as well as a small contingent of contracted part-time staff. Volunteers are also an important component in the execution of the operations of the Foundation. Funding is provided by a paid membership base, as well as donations and grants provided by members of the public and organizations. The Foundation's mandate is to support the UNESCO World Heritage Site through education, awareness and collaboration with those stakeholders as detailed in the most recent World Heritage Site Management Plan. To this end, its core activities include preserving and restoring historic sites and managing an education program which showcase these sites to students, the public and visitors.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates

These financial statements have been prepared in accordance with accounting standards (Part III) for not-for-profit organizations generally accepted in Bermuda and Canada. These standards require that management make estimates and assumptions that affect the reported amount of assets and liabilities, including the disclosure of contingent assets and liabilities as at the reporting date of the financial position and the reported amounts of revenues, expenses gains or losses during the year. Actual results could differ from those estimates.

b. Financial instruments

A financial instrument is a legal relationship between two entities whereby the creation of a financial asset for one entity is mirrored by a corresponding financial liability, or equity instrument, for the other. The Foundation initially measures its financial assets and liabilities at fair value. Subsequent to that the Foundation measures all financial assets and liabilities at amortized cost which consist of cash, rent receivable and accounts payable and accrued liabilities. Cash is comprised of a single chequing account held with a Bermuda bank.

c. Contributions

Contributions that were received in the past to fund capital assets are deferred and subsequently amortized over the life of the capital asset acquired. Endowment contributions are recognized as direct increases in net assets.

d. Donations and grants

Donations and grants are recognized when a formal pledge to give a specific amount has been made and collectability is reasonably assured. Unrestricted donations or grants received for past expenses are recognized as a component of non-restricted income, whereas funds received for future expenses are deferred and recognized only when the future expense is incurred. Donor or grant monies that are restricted for certain uses are also deferred and then later amortized when the funds are spent in accordance with the terms of the donation or grant.

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

March 31, 2022

(expressed in Bermuda dollars)

UNAUDITED

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e. Donated services

Services donated by organizations and persons are recorded at fair market value provided (i) the services were needed and are well defined, (ii) the fair market value is readily supportable and, (iii) the services would have been paid for if not donated. The Foundation is also dependent on donated services of many volunteers. Due to the difficulty in determining their fair value, the value of volunteer services is not recognized in the financial statements.

f. Membership dues

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 dues are deferred upon receipt and then amortized into income over the life of the membership.

g. Capital assets

Capital assets are comprised of computer equipment, collections and certain exhibits. Computer equipment is amortized on a straight-line basis over five years. Collections and exhibits represent certain antiques, items on loan, and a collection of books relevant to heritage studies. Purchased or constructed exhibits or collections are recorded at cost and then amortized over twenty years. Exhibits and collections that were donated to the Foundation many years ago are reported at nil value. Education material (e.g. books) are carried at their historical cost if purchased or their fair value if donated. Since the carrying value of all the Foundation's education material is immaterial, and because the estimated useful life of the material is difficult to estimate, education material is not amortized. The antique exhibit on loan to the St. Peter's Church is treated separately and accounting policies relating to it are disclosed in *Note 4*.

h. Website and social media costs

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

i. Deferred revenue

Funds received that have been set aside for a future expense, or for a specific project, are deferred and then amortized into income as the future expenses or the project costs are incurred. Such expenses are expected to materialize within twelve months of having received the funding.

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

March 31, 2022

(expressed in Bermuda dollars)

UNAUDITED

3. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	Net book value	
	March 31	March 31	March 31	March 31
	2022	2022	2022	2021
	\$	\$	\$	\$
Computer equipment	500	172	328	469
Education material	578	-	578	310
Exhibits	22,908	22,905	3	3
	<hr/>	<hr/>	<hr/>	<hr/>
Total	23,986	23,077	909	782
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4. ANTIQUE EXHIBIT

A cedar dole cupboard, built in 1640 for distributing food to the poor, was donated many years ago through the Edward C. Johnson Foundation. There are few such dole cupboards left in the world, hence it is a genuine antique and a valuable item for showcasing Bermuda's heritage. Many years ago this antique was subject to a professional restoration costing \$58,500. It is now on loan to the St. Peter's Church in St. George as an exhibit piece inside the Church. Management is of the opinion that its value is priceless and certainly far exceeds the cost of the restoration, and that its value only appreciates with time. Any appreciation in value will be recognized if the dole cupboard is sold to a buyer dealing at arm's length. No loss in value will be recognized unless it is determined to be other than temporary.

5. ENDOWMENT CONTRIBUTIONS

Included in net assets restricted for endowment purposes are donated funds of \$nil (2021: \$11,805) which are subject to externally imposed restrictions stipulating that the resources be maintained for the purposes of the preservation and restoration of heritage sites within the UNESCO zone. Interest income earned on these funds is unrestricted. Changes to the endowment fund balances are fully disclosed in the statement of changes in net assets.

6. 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. Financial instruments held by the Foundation are disclosed in *Note 2(b)*. The Foundation does not require collateral or other securities to manage the credit risks associated with its financial instruments. Management has determined that the Foundation's exposure to credit risk is minimal.

THE ST. GEORGE'S FOUNDATION
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March 31, 2022

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6. RISK MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation is dependent on membership fees, private donations, grants, 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, grants, contributions or sponsorships may decrease due to adverse changes in the market place and the overall local economy, including the macro-economic effects relating to natural disasters and pandemics. 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 market and economic risks. The effects of the covid-19 pandemic is discussed in *Note 13*.

7. CAPITAL DISCLOSURES

The Foundation manages externally restricted donations, as outlined in *Note 6*, totaling \$nil (2021: \$11,805). The Foundation has complied with all externally imposed capital requirements during the year. Capital balances are fully disclosed in the statement of changes in net deficiency.

8. PAID UP CAPITAL

The Foundation has seven guarantors who have paid fifty dollars in total to establish the Foundation's ultimate liability.

9. GOVERNMENT REMITTANCE PAYABLE

On March 31, 2022 and on March 31, 2021 there was no indebtedness to the Government of Bermuda.

10. HERITAGE AND EDUCATION

As outlined in *Note 1*, part of the Foundation's core mission is to work collaboratively with others to impact lives through education and opportunity. During the year, the Foundation provided employment opportunity for an Intern who is a graduate in heritage related studies. In addition, the Foundation worked with others to preserve certain heritage sites so that they can be showcased as part of our educational tours. During the year education tours were carried out at various heritage sites. Heritage and education expenses are disclosed in the statement of operations.

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NOTES TO THE FINANCIAL STATEMENTS

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11. LEASE, FACILITIES AND LOANED EXHIBITS

On November 16, 2002 the Foundation entered into a long-term lease with the Corporation of St. George's for the premises known as the Queen's Warehouse for 999-years for a nominal consideration of one bale of cotton. After December 31, 2020 the Foundation vacated the premises. This move enabled the Foundation to better focus on its mandate and core activities which are outlined in *Note 1*. Exhibits of noteworthy value were placed on loan to a not-for-profit organization in Bermuda. Management monitors on a continual basis all loaned exhibits to ensure they are being cared for and used in accordance with agreed upon terms. As a consequence of the move the remaining balance of the deferred contributions was written off during fiscal 2021 since the capital assets they were related to had all been vacated from the property and were no longer being utilized by the Foundation. Since January 1, 2021 the Foundation's office has been virtual.

12. COMPARATIVES

Certain comparative figures have been reclassified to conform to the current year's presentation.

13. COVID-19

Whilst the ongoing COVID-19 pandemic has slowed certain operations due to restrictions implemented to reduce the spread of the virus, management continues to retain the confidence of its members and supporters. As a result, the ongoing pandemic is not viewed as being a threat to the Foundation's going concern.