



2014 – 2015 Annual Report

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2015

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FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2015

INTRODUCTION

The Friends of The Moncton Hospital Foundation, Inc. (the Foundation) raises funds to help The Moncton Hospital deliver excellent healthcare and promote wellness.

This Annual Report for the Foundation contains the financial detail and narrative highlights for 2014-2015 with comparative data from previous years.

The opening of the new Oncology Clinic, Geriatrics Clinic and Youth Wellness Unit at The Moncton Hospital were all significant events in 2014-2015 in which foundation funding played a major role. These and many other highlights of the past year's activities are included in the Chair's Message.

The Foundation, which celebrates its 50th anniversary in 2015, is governed by a Board of Directors consisting of a maximum of 15 members who receive no remuneration for their services. The Foundation is supported by a dedicated staff team and a very significant level of volunteerism contributed by the directors and the community at large.

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HIGHLIGHTS

The following summarizes the revenues, expenses and contributions and the financial position of the Foundation for the years ended March 31, 2011, 2012, 2013, 2014 and 2015:

(000's)	2015	2014	2013	2012	2011
REVENUES:					
Capital Campaign	\$ -	\$ 1	\$ 6	\$ 39	\$ 199
Annual Appeals	843	789	1,012	910	837
Donations and Memorials	1,090	1,124	1,951	2,126	2,945
Planned Giving	822	335	377	284	224
Hand in Hand Dream Lottery	216	273	-	-	-
Employee Lottery	121	113	117	100	112
Investment Income	1,095	1,095	780	380	611
	<u>4,187</u>	<u>3,730</u>	<u>4,243</u>	<u>3,839</u>	<u>4,928</u>
EXPENSES:					
Administrative	805	946	905	753	678
Hand in Hand Dream Lottery	50	50	-	-	-
Employee Lottery	37	30	37	46	36
	<u>892</u>	<u>1,026</u>	<u>942</u>	<u>799</u>	<u>714</u>
	<u>3,295</u>	<u>2,704</u>	<u>3,301</u>	<u>3,040</u>	<u>4,214</u>
CONTRIBUTIONS:					
The Moncton Hospital	4,209	5,621	2,363	2,957	1,562
OTHER INCOME:					
Equity income from investment of subsidiary	168	285	196	159	163
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	<u>\$ (746)</u>	<u>\$ (2,632)</u>	<u>\$ 1,134</u>	<u>\$ 242</u>	<u>\$ 2,815</u>
FINANCIAL POSITION:					
ASSETS:					
Cash and investments	\$ 13,299	\$ 13,120	\$ 15,988	\$ 16,023	\$ 15,652
Investment in subsidiary	2,286	2,117	1,832	1,636	1,477
Other assets	58	58	188	13	65
	<u>\$ 15,643</u>	<u>\$ 15,295</u>	<u>\$ 18,008</u>	<u>\$ 17,672</u>	<u>\$ 17,194</u>
LIABILITIES AND FUND BALANCES:					
Liabilities	\$ 1,374	\$ 280	\$ 361	\$ 1,159	\$ 923
Fund balances	14,269	15,015	17,647	16,513	16,271
	<u>\$ 15,643</u>	<u>\$ 15,295</u>	<u>\$ 18,008</u>	<u>\$ 17,672</u>	<u>\$ 17,194</u>

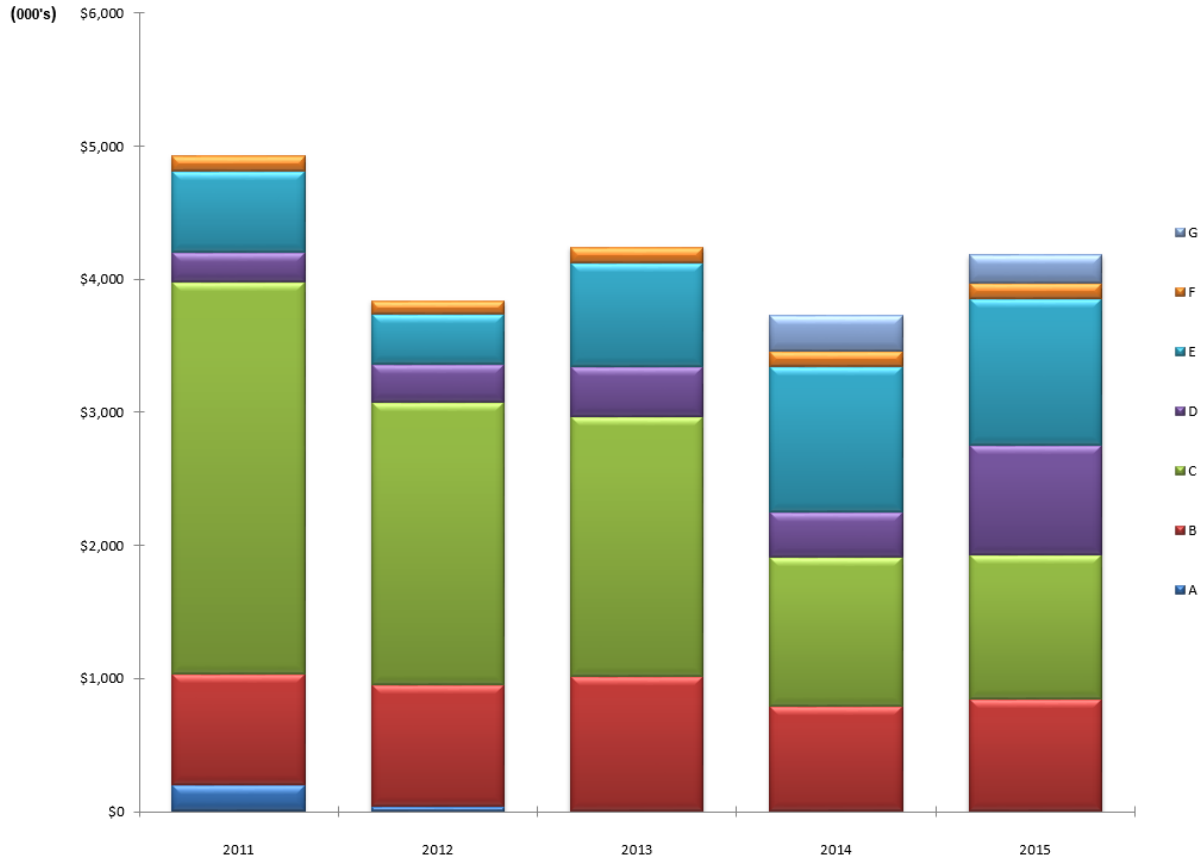
The details above are analyzed further on the following pages.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2015

REVENUE ANALYSIS



- A = Capital Campaign**
- B = Annual Appeal**
- C = Donations and Memorials**
- D = Planned Giving**
- E = Investment Income**
- F = Employee Lottery Revenue**
- G = House Lottery Joint Venture**

While funds raised through the Annual Appeal this year increased slightly over the previous year and general and memorial donations remained relatively equal to 2013-2014, the greatest growth in revenues in the past year the was seen in the area of Planned Giving.

- C. In each of 2011 and 2012, the Foundation received \$1M payments on a \$5M commitment to the new Oncology Clinic. The final installment of \$820,000 on that commitment was received in 2013.
- G. Planned Giving revenues grew to \$822,000 in 2014-2015 over \$335,000 in the previous year. Eleven bequests were received ranging from \$1,000 to \$76,500. There were also eight gifts of listed securities, life insurance premium payments and gifts to endowment.

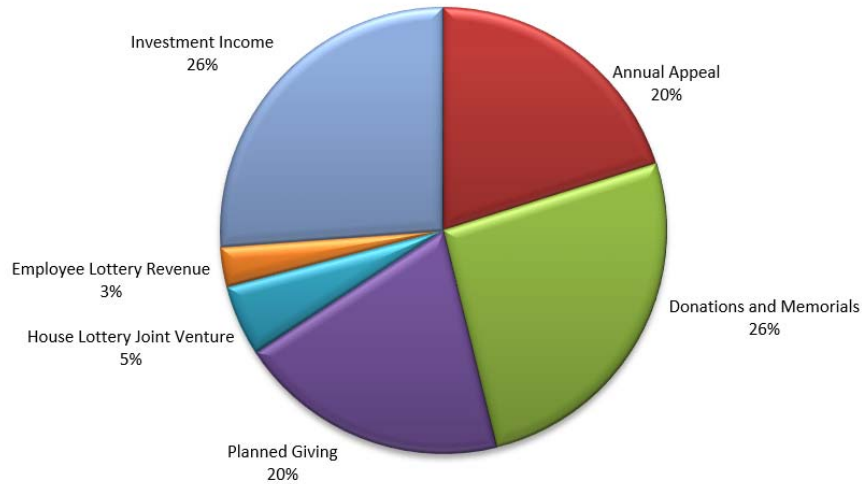
FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

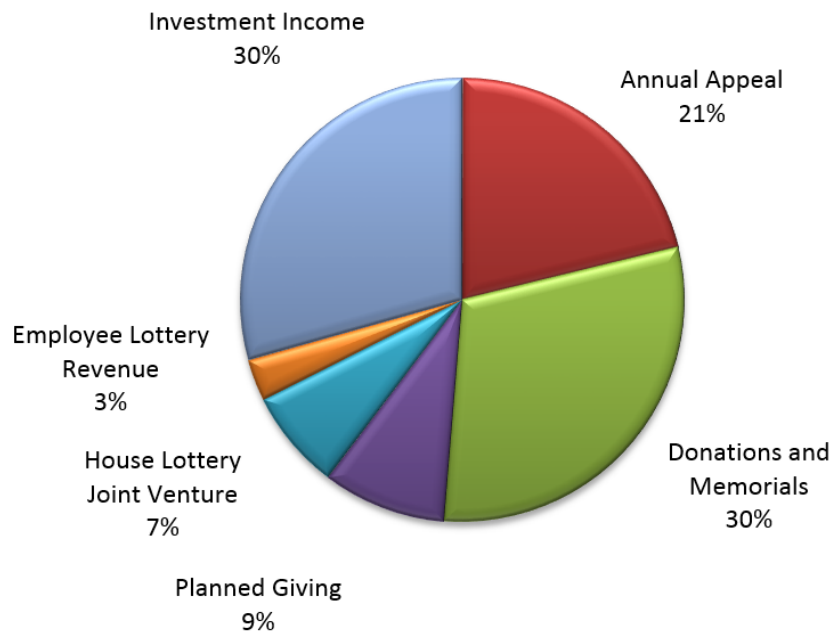
Year ended March 31, 2015

REVENUE ANALYSIS

2015



2014



The major categories of revenue as a percentage of total revenue for the years ended March 31, 2015 and March 31, 2014 are displayed above.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2015

CHAIR'S MESSAGE

To the Members of the Friends of The Moncton Hospital Foundation, Inc.:



At the Friends Foundation we are grateful each and every day to work closely with you – our generous donors, community of committed volunteers, and dedicated physicians and staff at The Moncton Hospital. Your support enables us to work hard at keeping our friends and families in good health by providing leading edge tools, facility enhancements and education for our hospital's staff.

This past year was incredibly meaningful, highlighted by the realization of many exciting projects and by the fact that the Foundation raised an impressive \$4,187,000 through various fund raising methods and resource management. We also kicked off our **50th anniversary** of raising funds (1965-2015) which we look forward to celebrating all year long.

The Moncton Hospital is committed to providing patients with optimal care and the very best treatment and the foundation has supported that commitment in many ways in 2014-15.

In May, the Friends wrapped up its Annual Campaign 2013-2014 which raised \$863,000 - \$13,000 over goal - for equipment including, a **bone densitometer** for measuring the calcium content of bones to enable the early detection of osteoporosis; an **endoscopic ultrasound** for diagnosing and staging cancers of the lung, esophagus, stomach, rectum and pancreas; an **electromyography system (EMG)** to assess the function of muscles and nerves and a new **Holter monitor analysis system** to analyze an individual's recorded heart rhythms. We were very pleased that The Moncton Hospital Nurses Health Care Auxiliary donated \$98,000, the entire amount needed to purchase the bone densitometer.

Through a \$9.5 million partnership between the Friends and the Province of New Brunswick, a modern **Oncology Clinic** opened its doors in November, providing a spacious, comfortable and soothing atmosphere where patients can receive their treatments. The Foundation contributed \$6 million to the total cost of the project.

The Moncton Hospital celebrated the opening of a new **Youth Wellness Unit** for Moncton-area youth seeking treatment for mental health issues. This specialized care unit provides a therapeutic environment for youth under the age of 17 who require observation for psychiatric or mental health needs. Funding for this initiative was provided in large part by the RBC Children's Mental Health Project through locally held golf tournaments.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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CHAIR'S MESSAGE (continued)

At-risk seniors have better access to care following the opening of a new **Geriatric Clinic**. Donations to the Friends funded the \$250,000 cost of renovations (and some equipment) to relocate and expand the Geriatric Clinic from its past location on the 5th floor, to a larger and more convenient space on the hospital's main floor. The Geriatric Clinic is a patient-centred outpatient service where at-risk older adults are assessed and treated by many health care professionals in one location. The new space houses the Geriatric Assessment Clinic (GAC), the Memory Clinic and Physiotherapy Services. The goal is to help seniors achieve as high a level of independence and wellness as possible, enabling them to remain safe in their own homes for as long as they are able.

Non-invasive liver diagnosis is now offered at The Moncton Hospital thanks to a \$130,000 donation from AbbVie. Medical professionals now have access to a FibroScan offering patients an alternative to a liver biopsy.

Leading edge stroke care, Telestroke, is newly available at both TMH and the Dr. Georges-L.-Dumont University Hospital Centre stemming from a \$50,000 investment from the Friends and CHU Dumont Foundations. When it comes to a stroke, time is of the essence. Quick access to a neurologist is key as some patients can be prescribed a clot-busting drug to reduce the dramatic effects of a stroke. To be effective, it must be administered within a four hour window after a stroke has occurred. However, until recently, access to a neurologist was limited. Telestroke has changed that.

To help the hospital to keep current with new technology, updated equipment and renovated spaces, the Friends set an ambitious financial goal of \$875,000 for the **2014-2015 Annual Campaign**. This investment will allow for clinic renovations to enrich the care for the hospital's youngest patients, enable the purchase of critical equipment to provide for accurate diagnoses for sick and fragile babies, transform how specimens are processed leading to rapid diagnosis and treatment of infections, revolutionize pulmonary care in the ICU, support those recovering from orthopedic and soft tissue injuries and provide a tool to help patients recover from traumatic injuries.

In addition to the generous gifts from individuals, corporations and community organizations over the past year, our numerous **community based events** generated over \$426,000 for the Foundation. The 3rd Annual C103 and XL Country 96.9 Radiothon realized a record \$32,500. The RBC "Swing into Spring" gala on May 3, 2014 drew a large crowd and raised \$62,000. The 14th annual Taylor Ford "Hit It Fore Health" golf tournament at Royal Oaks Golf Club in September was another outstanding success. In fact, this sold-out event yielded a record \$67,500 for the Annual Campaign.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2015

CHAIR'S MESSAGE (continued)

Another highlight was that we partnered once again with the CHU Dumont Foundation for the **Hand in Hand Dream Lottery**. \$432,000 has been invested in the quality of patient care at The Moncton Hospital and the Dr. Georges-L.-Dumont University Hospital Centre.

The annual **Gifts for Life** luncheon was held in August to honour those donors who have made a special planned gift commitment to the Friends. The guest speaker was Dr. Sylvie Ouellette, Rheumatologist. We were pleased to welcome Robert and Margaret McQuaid and John and Shirley Howatt as Friends' newest *Gifts for Life* Society members.

The **21st Annual Donor Dinner**, held on December 3rd gave the Foundation the opportunity to recognize 23 donors who had reached new milestones in cumulative giving, starting at \$10,000. Of note, Corey Craig Group donated a \$100,000 gift in celebration of their 40th anniversary of Tim Horton's in Moncton.

We have had very impressive results through **planned giving** this year. We were most fortunate in having received eleven bequests ranging from \$1,000 to \$76,500 for a total of \$268,112. In addition, there were eight gifts of securities totalling \$413,901 and life insurance premium payments totalling \$5,174.

In 2014/2015, Friends **endowments** continued to grow. \$700,872 in contributions were added to the fund. Four new named endowments were created including the Jack Madden Endowment Fund, Isodore and Esther Fine Endowment Fund, Cy and Nancy Stein and Family Endowment and the John and Shirley Hawryluk Endowment. \$220,537 was drawn out of endowment to support The Moncton Hospital and by year end, the market value of all endowed funds totalled \$6,257,388.

We were very pleased to have been able to award more than \$30,000 in **education grants** to over 78 hospital staff. Education funds are made available through three endowed funds.

During the annual meeting held last May, we bid farewell to Anne Poirier Basque and Dr. Jeff Mowat who retired from the board. Both made a significant contribution to the Friends. New to the board this year are Dr. Paul Goobie, Nicole Légère-Doucet and Patricia Armour.

Our year also brought sadness with the deaths of our board member Rob Robichaud, who was so passionate about the work of the foundation; long-time honorary chair and one of the Friends founders, Reuben Cohen; friend Cindy Hewitt, who helped raised over \$500,000 for breast health services, and faithful annual campaign volunteer Meryl Henderson.

Non-Consolidated Financial Statements of

**FRIENDS OF THE MONCTON HOSPITAL
FOUNDATION, INC.**

Year ended March 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chair and Members of the Board of Directors

We have audited the accompanying non-consolidated financial statements of Friends of The Moncton Hospital Foundation, Inc. (the Foundation), which comprise the non-consolidated statement of financial position as at March 31, 2015, the non-consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues and excess (deficiency) of revenues over expenses reported in the non-consolidated statement of operations and changes in fund balances, and cash flows, and assets and fund balances reported in the non-consolidated statement of financial position.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

May 28, 2015

Moncton, Canada

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

				2015	2014
	Unspecified Funds	Specified Funds	Endowment Funds	Total	Total
Assets					
Cash and investments (note 2)	\$ 2,535,916	\$ 4,099,064	\$ 6,664,189	\$ 13,299,169	\$ 13,119,506
Prepaid expenses	58,168	–	–	58,168	58,146
Investment in subsidiary (note 3)	2,285,514	–	–	2,285,514	2,117,065
	<u>\$ 4,879,598</u>	<u>\$ 4,099,064</u>	<u>\$ 6,664,189</u>	<u>\$ 15,642,851</u>	<u>\$ 15,294,717</u>
Liabilities and Fund Balances					
Liabilities:					
Payable to The Moncton Hospital	\$ 45,723	\$ 311,737	\$ –	\$ 357,460	\$ 264,244
Accrued liabilities	16,000	1,000,000	–	1,016,000	16,000
	<u>61,723</u>	<u>1,311,737</u>	<u>–</u>	<u>1,373,460</u>	<u>280,244</u>
Fund balances:					
Unrestricted	4,817,875	–	–	4,817,875	4,143,097
Externally restricted	–	2,787,327	6,664,189	9,451,516	10,871,376
	<u>4,817,875</u>	<u>2,787,327</u>	<u>6,664,189</u>	<u>14,269,391</u>	<u>15,014,473</u>
	<u>\$ 4,879,598</u>	<u>\$ 4,099,064</u>	<u>\$ 6,664,189</u>	<u>\$ 15,642,851</u>	<u>\$ 15,294,717</u>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:



Director



Director

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Operations and Changes in Fund Balances

Year ended March 31, 2015, with comparative information for 2014

	Unspecified Funds	Specified Funds	Endowment Funds	2015 Total	2014 Total
Revenues:					
Capital Campaign	\$ -	\$ -	\$ -	\$ -	900
Annual Appeal 06	-	34,658	-	34,658	43,213
Annual Appeal 10	-	-	-	-	297
Annual Appeal 11	-	-	-	-	102
Annual Appeal 12	-	1,402	-	1,402	133,208
Annual Appeal 13	-	101,497	-	101,497	611,933
Annual Appeal 14	-	700,756	-	700,756	-
Annual Appeal 15	-	5,130	-	5,130	-
Donations and Memorials	537,145	541,020	11,477	1,089,642	1,124,413
Planned Giving	71,548	60,565	689,395	821,508	335,059
Hand in Hand Dream Lottery	216,000	-	-	216,000	273,247
Employee Lottery	121,235	-	-	121,235	112,874
Investment income	497,988	-	597,203	1,095,191	1,095,039
	1,443,916	1,445,028	1,298,075	4,187,019	3,730,285
Expenses:					
Administrative	752,979	-	51,688	804,667	946,318
Hand in Hand Dream Lottery	50,000	-	-	50,000	50,395
Employee Lottery	37,400	-	-	37,400	29,800
	840,379	-	51,688	892,067	1,026,513
Net revenues	603,537	1,445,028	1,246,387	3,294,952	2,703,772
Contributions to The Moncton Hospital:					
Annual Appeal 06	-	302,644	-	302,644	2,281
Annual Appeal 11	-	-	-	-	6,045
Annual Appeal 12	-	606,446	-	606,446	86,814
Annual Appeal 13	-	717,365	-	717,365	2,669
Annual Appeal 14	-	104,595	-	104,595	-
Capital Campaign	-	4,723	-	4,723	-
Other	-	2,472,710	-	2,472,710	5,523,159
	-	4,208,483	-	4,208,483	5,620,968
Excess (deficiency) of revenues over expenses before the undernoted	603,537	(2,763,455)	1,246,387	(913,531)	(2,917,196)
Equity income from investment in subsidiary	168,449	-	-	168,449	284,908
Excess (deficiency) of revenues over expenses	771,986	(2,763,455)	1,246,387	(745,082)	(2,632,288)
Fund balances, beginning of year	4,143,097	5,203,247	5,668,129	15,014,473	17,646,761
Transfer of Funds during the year	(97,208)	347,535	(250,327)	-	-
Fund balances, end of year	\$ 4,817,875	\$ 2,787,327	\$ 6,664,189	\$ 14,269,391	\$ 15,014,473

See accompanying notes to non-consolidated financial statements.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (745,082)	\$ (2,632,288)
Items not involving cash:		
Equity income of subsidiary	(168,449)	(284,908)
Write down of real property	-	86,000
Unrealized loss (gain) on investments	(398,151)	216,578
Increase in cash surrender value of life insurance	(5,174)	(13,531)
Change in non-cash operating working capital:		
Decrease in accounts receivable	-	154,608
Increase in prepaid expenses	(22)	(24,627)
Increase in payable to The Moncton Hospital	93,216	(80,912)
Increase in accrued liabilities	1,000,000	-
	(223,662)	(2,579,080)
Investing activities:		
Proceeds on sale of real property	289,652	-
Net decrease (increase) in investments	(280,883)	889,914
	8,769	889,914
Decrease in cash position	(214,893)	(1,689,166)
Cash position, beginning of year	1,108,401	2,797,567
Cash position, end of year (note 2)	\$ 893,508	\$ 1,108,401

See accompanying notes to non-consolidated financial statements.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2015

Friends of The Moncton Hospital Foundation, Inc. (the Foundation) is a non-profit organization without share capital incorporated under the laws of New Brunswick and its principal activities include receiving contributions, bequests and memorials to hold for investment and the application of income and capital to The Moncton Hospital, a division of Horizon Health Network/Réseau de santé Horizon, to assist in its efforts to provide patient care. The Foundation is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

These non-consolidated financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

(a) Investments:

Investments are measured at fair value.

(b) Investment in subsidiary:

The Foundation accounts for its wholly-owned subsidiary, F.M.H. Management Ltd., using the equity method.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its fixed income securities at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions which include donations and bequests. Restricted contributions are recognized as revenue of the appropriate restricted fund, be it Specified or Endowment.

The Unspecified Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources. Unrestricted contributions are recognized as revenue of the Unspecified Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other than investment income earned in the Endowment funds, all investment income is recognized as revenue of the Unspecified Fund when earned.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2014

1. Significant accounting policies (continued):

(e) Capital assets:

The Foundation owns no capital assets. Premises are provided at no charge by the Horizon Health Network/Réseau de santé Horizon.

(f) Contributed services:

Volunteers contribute significant hours per year to assist the Foundation in carrying out its campaigns and service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts 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 year. Actual results could differ from those estimates.

2. Cash and investments:

	2015	2014
Cash	\$ 893,508	\$ 1,108,401
Marketable securities	12,322,954	11,629,572
Cash surrender value of life insurance policies	82,707	77,533
Real property	-	304,000
	\$ 13,299,169	\$ 13,119,506
Allocation of cash and investments:		
Unspecified Funds	\$ 2,535,916	\$ 2,082,366
Specified Funds	4,099,064	5,365,590
Endowment Funds	6,664,189	5,671,550
	\$ 13,299,169	\$ 13,119,506

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2014

3. Investment in subsidiary:

F.M.H. Management Ltd. (the subsidiary company) is incorporated under the New Brunswick Business Corporations Act and its principal activities include the rental and the maintenance of the Professional Arts Building at 100 Arden Street, Moncton, New Brunswick. The Foundation follows the practice of appointing two persons to the subsidiary company's Board of Directors and approving the remaining Directors. The investment in the subsidiary is accounted for using the equity method.

Financial statements of the subsidiary company are available on request. Financial summaries of this entity as at December 31 (its fiscal year end) are as follows:

F.M.H. Management Ltd.

	2015	2014
Balance Sheet		
Total assets	\$ 3,390,000	\$ 3,536,000
Total liabilities		
Shareholders' equity	\$ 1,105,000	\$ 1,419,000
	2,285,000	2,117,000
	\$ 3,390,000	\$ 3,536,000
Results of Operations		
Total revenues	\$ 1,144,000	\$ 1,329,000
Total expenses (1)	976,000	1,044,000
Net earnings	\$ 168,000	\$ 285,000
Cash Flows		
Cash provided by operations	\$ 177,000	\$ 529,000
Cash provided (used) for financing activities	(230,000)	(225,000)
Cash used for investing activities	(234,000)	(82,000)
Increase (decrease) in cash	\$ (287,000)	\$ 222,000

4. Hand in Hand Dream Lottery:

In 2014, the Foundation entered into a joint venture with the Dr. Georges-L.-Dumont Hospital Foundation. The purpose of this joint venture was to raise money on behalf of both foundations through a lottery fundraising program called the Hand in Hand Dream Lottery. During the year, the Foundation continued its joint venture relationship to support the 2015 Hand in Hand Dream Lottery. Included in prepaid expenses of the Foundation is \$50,000 (2014 - \$50,000) which represents 50% of the joint venture's initial expense incurred to date.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2014

5. Financial risks:

The Foundation manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation's overall currency positions are monitored on a daily basis by the portfolio manager.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2015

CHAIR'S MESSAGE (continued)

Inside the doors of The Moncton Hospital, there is not an area that has not been touched by the generosity of our many donors. **Thanks to you**, our donors, and the dedicated and passionate staff at TMH, our patients will continue to receive quality health care.

You, our donors, are giving us the power to improve lives. For that we are eternally grateful.

A handwritten signature in black ink, appearing to read "Paul Arsenault". The signature is stylized with a large initial "P" and a long horizontal stroke at the end.

Paul Arsenault, Chair
Friends of The Moncton Hospital Foundation, Inc.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2015

FOUNDATION DIRECTORY

OFFICE: Horizon Health Network, Moncton Area
135 MacBeath Avenue
Moncton, NB
E1C 6Z8

OFFICERS AND DIRECTORS:

Chair	- Mr. Paul Arsenault
1st Vice-Chair	- Mr. Steve Fowler
2nd Vice-Chair	- Mr. David Savoie
Past Chair	- Mr. David Holt
Secretary	- Ms. Linda Saunders
Treasurer	- Ms. Maria Cormie
Ex Officio	- Mr. John McGarry
Directors	- Ms. Patricia Armour
	- Mr. Tom Badger
	- Dr. Paul Goobie
	- Ms. Nicole Légère-Doucet
	- Dr. John McManaman
	- Mr. Lorne Mitton
	- Mr. Kent Robinson
	- Mr. Brent Scrimshaw
	- Ms. Karen Teed

BANKERS:

Bank of Montreal	Royal Bank of Canada
633 Main Street	Blue Cross Centre, PO Box 430
Moncton, NB	Moncton, NB
E1C 9M1	E1C 8L4

AUDITORS:

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