



**2016 – 2017 Annual Report**

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2017

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

Annual Report

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## **INTRODUCTION**

The Mission of the Friends of The Moncton Hospital Foundation, Inc. is to raise funds to help The Moncton Hospital deliver excellent healthcare and promote wellness.

The Foundation 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.

This Annual Report for the Foundation contains the financial detail and narrative highlights for 2016-2017 with comparative data from previous years as well as a number of highlights of the past year's activities as outlined in the Chair's Message.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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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, 2013, 2014, 2015, 2016, and 2017:

(000's)	2017	2016	2015	2014	2013
<b>REVENUES:</b>					
Capital Campaign	\$ -	\$ -	\$ -	\$ 1	\$ 6
Annual Appeals	844	800	843	789	1,012
Donations and Memorials	1,143	1,250	1,090	1,124	1,951
Planned Giving	392	336	822	335	377
Hand in Hand Dream Lottery	96	229	216	273	-
Employee Lottery	112	107	121	113	117
Investment Income	783	(12)	1,095	1,095	780
	<u>3,370</u>	<u>2,710</u>	<u>4,187</u>	<u>3,730</u>	<u>4,243</u>
<b>EXPENSES:</b>					
Administrative	1,160	1,143	805	946	905
Hand in Hand Dream Lottery	-	50	50	50	-
Employee Lottery	38	35	37	30	37
	<u>1,198</u>	<u>1,228</u>	<u>892</u>	<u>1,026</u>	<u>942</u>
	<u>2,172</u>	<u>1,482</u>	<u>3,295</u>	<u>2,704</u>	<u>3,301</u>
<b>CONTRIBUTIONS:</b>					
The Moncton Hospital	1,611	805	4,209	5,621	2,363
<b>OTHER INCOME:</b>					
Equity income from investment of subsidiary	187	171	168	285	196
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>					
	<u>\$ 748</u>	<u>\$ 848</u>	<u>\$ (746)</u>	<u>\$ (2,632)</u>	<u>\$ 1,134</u>
<b>FINANCIAL POSITION:</b>					
<b>ASSETS:</b>					
Cash and investments	\$ 13,836	\$ 12,885	\$ 13,299	\$ 13,120	\$ 15,988
Investment in subsidiary	2,643	2,456	2,286	2,117	1,832
Other assets	16	58	58	58	188
	<u>\$ 16,495</u>	<u>\$ 15,399</u>	<u>\$ 15,643</u>	<u>\$ 15,295</u>	<u>\$ 18,008</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities	\$ 630	\$ 282	\$ 1,374	\$ 280	\$ 361
Fund balances	15,865	15,117	14,269	15,015	17,647
	<u>\$ 16,495</u>	<u>\$ 15,399</u>	<u>\$ 15,643</u>	<u>\$ 15,295</u>	<u>\$ 18,008</u>

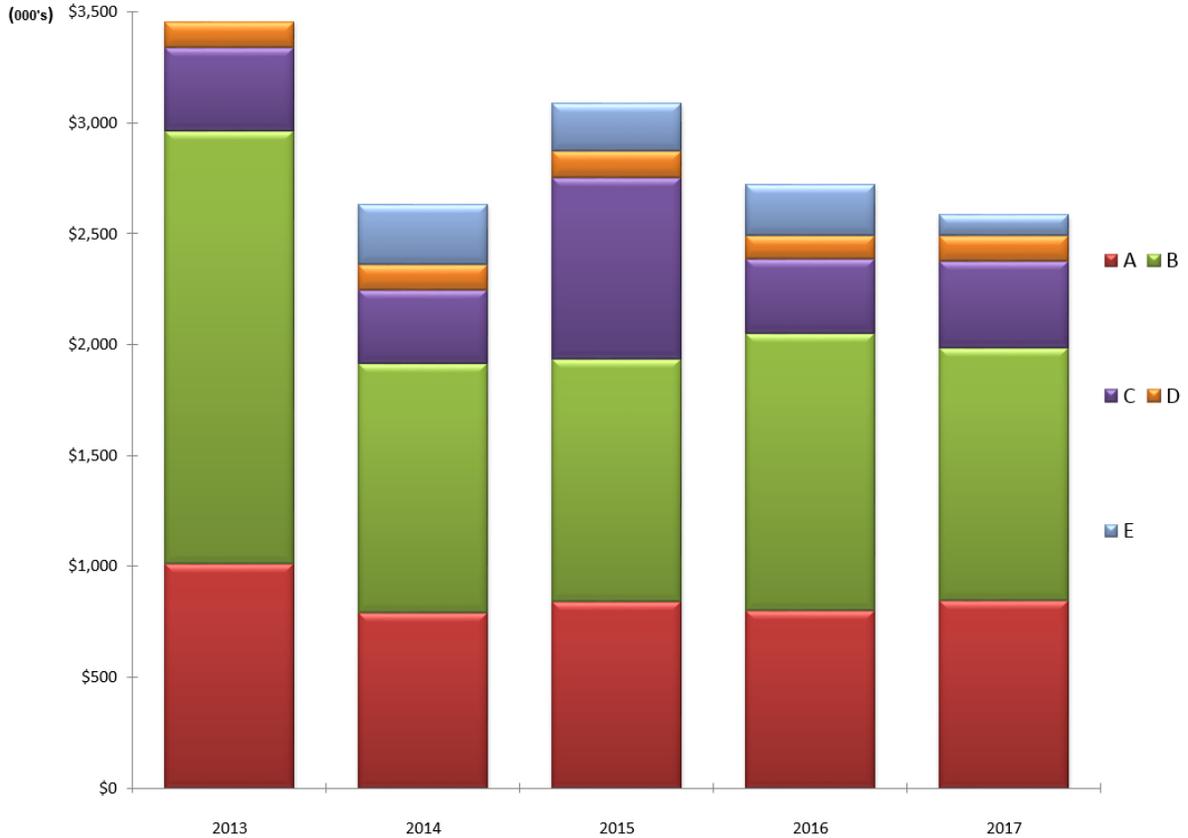
The details above are analyzed further on the following pages.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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## ANALYSIS OF REVENUE FROM FUND RAISING



**A = Annual Appeal**  
**B = Donations and Memorials**  
**C = Planned Giving**  
**D = Employee Lottery Revenue**  
**E = House Lottery Joint Venture**

- B. The final installment of \$820,000 on a \$5M commitment to the new Oncology Clinic was received in 2013.
- C. In 2015, a significant planned gift of listed securities was received to create a new named endowment.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

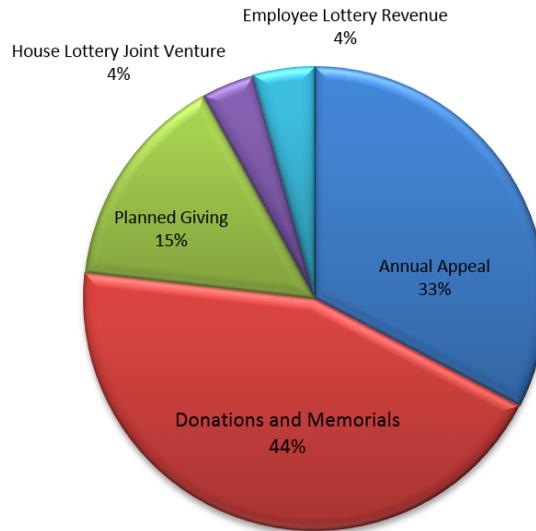
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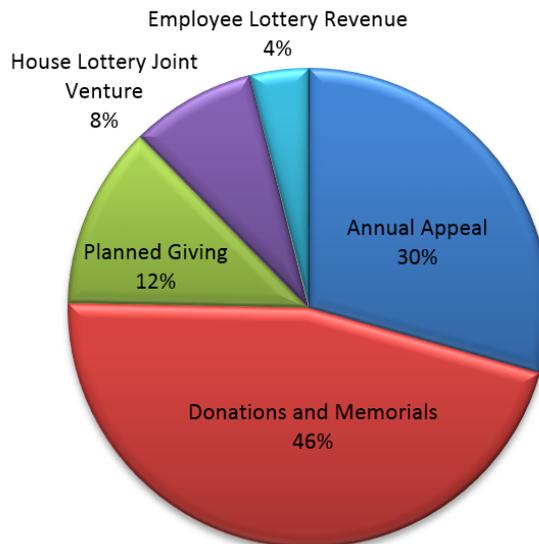
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## ANALYSIS: TOTAL REVENUE

### 2017



### 2016



The major categories of revenue as a percentage of total revenue for the years ended March 31, 2017 and March 31, 2016 are displayed above. For details regarding investment income see note 5 of the non-consolidated financial statements (page 7).

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2017

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## CHAIR'S MESSAGE

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



It is gratifying to think about all the different ways in which our **loyal and generous donors** supported the Foundation's work in 2016-2017. It is reassuring to know that *together* we are helping provide sophisticated equipment and renovated spaces so that our compassionate care team can offer the best patient care possible.

**We are delighted to celebrate with you, the impact that philanthropy had on our hospital and health care by reviewing our many achievements.**

Last spring, the generosity of the community helped us raise over \$1 million, surpassing the \$950,000 goal for our **2015-2016 Annual Campaign**. With this, we were able to purchase new, superior, smart beds for critically ill patients, which are now being used in the Coronary Care Unit, Sharon E. Harrison Medical Surgical Intensive Care Unit and the Irving Neuro Intensive Care Unit. We also bought a new, technologically-advanced monitoring system to make the labour and birthing process safer for mother and baby, which is now in place. And work is well underway for the creation of an on-site green space to inspire healing for those suffering from addictions and mental illness. This will provide a breath of fresh air into their treatment and is expected to be fully operational before summer.

Our **People of The Moncton Hospital** Campaign launched on social media in the spring of 2016 has been a tremendous success. We owe a debt of gratitude to the many "faces" who agreed to share their personal health journeys; including medical challenges, obstacles, hopes, fears, and their ultimate outcomes; with our community and supporters. Look for new personal stories this coming year as we continue to put a real face on those benefiting from your donations.

The Foundation partnered with Horizon Health Network to offer **free patient WiFi** which aligns with our mission to enhance patient care. The Foundation's \$80,000 investment will improve the healthcare experience and allow patients to stay in touch with family and friends through website access, social media and email.

In June, the Oncology Clinic at The Moncton Hospital was officially named the **Dr. Sheldon H. Rubin Oncology Clinic**. Dr. Rubin is a well-respected oncologist/hematologist in both New Brunswick and Canada who retired after 46 years of service. You may recall the Friends contributed \$6 million to this advanced care clinic supporting cancer patients.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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## CHAIR'S MESSAGE (continued)

The annual **Gifts for Life** luncheon was held in August to honour those donors who have committed to making a special planned gift to the Friends. The guest speaker was Dr. Robert Adams, Neurosurgeon. We welcomed Lois Scott and Mark Rooney, Angus and Gloria McDonald and Kathy and Darrell Weir as the newest Gifts for Life Society members.

A \$1.1 million **2016-2017 Annual Campaign** goal was announced in October for the purchase of leading edge instruments and video technology for the Minimally Invasive Surgical Suites, computer navigation equipment to enhance knee surgeries, a high-tech system for evaluating and diagnosing esophageal problems and a digital marking system to improve cataract surgery. These technological advancements will greatly improve The Moncton Hospital's ability to deliver healthcare excellence and hasten patient recovery for general, urology, gynecology, thoracic and orthopedic surgeries, as well as in the Endoscopy (gastrointestinal) and Ophthalmology (eye) Clinics. Many thanks to Pat Armour and Lorne Mitton for co-chairing the campaign.

We celebrated the grand **opening of the new Pediatric Ambulatory Care Clinic** located on the main floor of The Moncton Hospital. This modern space will enrich the services to children which are now provided in one designated, private and family-friendly area on the Pediatrics Unit. Our committed donors provided \$185,000 toward this project in the 2014-2015 Annual Campaign.

In addition to the generous gifts from individuals, corporations and community organizations over the past year, our numerous **community based events** generated close to \$456,000 for the Foundation. The **Swing Into Spring** Gala held in May, 2016 drew a large crowd and raised a record amount of \$91,000. The 16th annual Taylor Ford **Hit It Fore Health** golf tournament at Royal Oaks in September was another outstanding success. In fact, this sold-out event yielded \$77,000, the most ever in the event's history, for the Annual Campaign. Also of note, in two years the physician-led cycling fundraiser, **NB Doctors Cycling Against Cancer**, has raised almost \$100,000 to support cancer care for patients treated in the Dr. Sheldon H. Rubin Oncology Clinic and in-patient unit. Led by medical oncologist Dr. Mohammed Harb, 7 cyclists including TMH physicians, family and pharmaceutical representatives, rode 500 kilometers around New Brunswick in five days last June. Despite a winter storm, the **6<sup>th</sup> Annual C103 / New Country 96.9 Radiothon** raised the most funds to date. The current tally is \$45,000 which exceeded the \$40,000 goal thanks to the bigheartedness of Radiothon-day listeners and several businesses, schools and community groups. We are especially thankful to all the patients and their families for sharing their stories on-air that day.

With great pleasure, the Foundation honoured donors who have contributed a total of \$10,000 or more at our **23rd Annual Donor Dinner**, held on December 3rd. During the evening 27 individuals, community groups, and businesses were recognized for having reached new milestones in cumulative giving. All were treated to a delightful dinner and a personal thank you from myself and The Moncton Hospital Executive Director, Nancy Parker.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2017

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## CHAIR'S MESSAGE (continued)

The Foundation had another good year in **planned giving**, receiving three bequests that ranged from \$10,000 to \$61,663 for a total of \$89,770. In addition, 13 gifts of listed securities totalling \$271,349 and eight life insurance gifts and premium payments of \$12,598 were received.

In 2016-2017, Friends' **endowments** continued to grow and by year end, the market value of all endowed funds totalled an impressive \$7,009,419. Eleven donors added to their existing funds. There was one new named endowment created – the Corey and Leah Trenholme Endowment Fund.

We are fortunate to have a number of endowments that were created to provide **educational funding for hospital staff**. This year, we were able to offer over \$43,000 in grants to approximately 145 staff members attending conferences and workshops or pursuing other educational opportunities in their respective fields.

Other highpoints include the approval of an exciting and bold **strategic plan** mapping out our direction over the next three years and the launch of our fresh new donor-friendly **website**.

**We bid farewell** to director Karen Teed who completed her term of service on the board. New to the board this year is Ryan Dillon. On the staff side **we welcomed** to the Foundation team Trevor MacDougall as Director, Major Gifts and Jacqueline Prevost as Foundation Associate.

The loyal support of our donors is key to improving the quality of care provided to thousands of patients each year by ensuring that every department in The Moncton Hospital is well equipped with the latest technology.

As we forge ahead, we look forward to continued Foundation growth by working with our community in new ways. *But most vitally*, **thank you** to our countless donors and partners – who make what's extraordinary about The Moncton Hospital possible.

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



**Steve Fowler, Chair**  
**Friends of The Moncton Hospital Foundation, Inc.**

Non-Consolidated Financial Statements of

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

Year ended March 31, 2017



KPMG LLP	One Factory Lane	133 Prince William Street
Frederick Square	PO Box 827	PO Box 2388 Stn Main
700-77 Westmorland Street	Moncton NB E1C 8N6	Saint John NB E2L 3V6
Fredericton NB E3B 6Z3	Telephone (506) 856-4400	Telephone (506) 634-1000
Telephone (506) 452-8000	Fax (506) 856-4499	Fax (506) 633-8828
Fax (506) 450-0072		

## 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, 2017, 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 statements 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, 2017, 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 25, 2017  
Moncton, Canada

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Financial Position

March 31, 2017, with comparative information for 2016

				2017	2016
	Unspecified Funds	Specified Funds	Endowment Funds	Total	Total
<b>Assets</b>					
Cash and investments (note 2)	\$ 2,764,073	\$ 4,062,202	\$ 7,009,419	\$ 13,835,694	\$ 12,884,619
Prepaid expenses	8,377	–	–	8,377	58,213
Accounts receivable	7,562	–	–	7,562	–
Investment in subsidiary (note 3)	2,643,352	–	–	2,643,352	2,456,014
	\$ 5,423,364	\$ 4,062,202	\$ 7,009,419	\$ 16,494,985	\$ 15,398,846

## Liabilities and Fund Balances

<b>Liabilities:</b>					
Payable to The Moncton Hospital	\$ 81,907	\$ 536,122	\$ –	\$ 618,029	\$ 270,305
Accrued liabilities	12,000	–	–	12,000	12,000
	93,907	536,122	–	630,029	282,305
<b>Fund balances:</b>					
Unrestricted	5,329,457	–	–	5,329,457	5,158,424
Externally restricted	–	3,526,080	7,009,419	10,535,499	9,958,117
	5,329,457	3,526,080	7,009,419	15,864,956	15,116,541
	\$ 5,423,364	\$ 4,062,202	\$ 7,009,419	\$ 16,494,985	\$ 15,398,846

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, 2017, with comparative information for 2016

	Unspecified Funds	Specified Funds	Endowment Funds	2017 Total	2016 Total
<b>Revenues:</b>					
Annual Appeal (note 4)	\$ –	\$ 843,963	\$ –	\$ 843,963	\$ 800,316
Donations and Memorials	544,750	598,187	205	1,143,142	1,249,773
Planned Giving	57,483	7,000	327,293	391,776	335,599
Hand in Hand Dream Lottery	95,492	–	–	95,492	228,890
Employee Lottery	112,150	–	–	112,150	107,190
Investment income (loss) (note 5)	309,937	–	473,476	783,413	(11,656)
	1,119,812	1,449,150	800,974	3,369,936	2,710,112
<b>Expenses:</b>					
Administrative (note 6)	1,098,302	–	61,677	1,159,979	1,143,410
Hand in Hand Dream Lottery	390	–	–	390	49,947
Employee Lottery	37,425	–	–	37,425	35,000
	1,136,117	–	61,677	1,197,794	1,228,357
Excess (deficiency) of revenues over expenses before the undernoted	(16,305)	1,449,150	739,297	2,172,142	1,481,755
<b>Distributions to The Moncton Hospital:</b>					
Annual Appeal (note 4)	–	1,253,830	–	1,253,830	243,185
Capital Campaign	–	–	–	–	160
Other	–	357,235	–	357,235	561,760
	–	1,611,065	–	1,611,065	805,105
Excess (deficiency) of revenues over expenses before the undernoted	(16,305)	(161,915)	739,297	561,077	676,650
Equity income from investment in subsidiary	187,338	–	–	187,338	170,500
Excess (deficiency) of revenues over expenses	171,033	(161,915)	739,297	748,415	847,150
Fund balances, beginning of year	5,158,424	3,687,995	6,270,122	15,116,541	14,269,391
Fund balances, end of year	\$ 5,329,457	\$ 3,526,080	\$ 7,009,419	\$ 15,864,956	\$ 15,116,541

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, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 748,415	\$ 847,150
Items not involving cash:		
Equity income from investment in subsidiary	(187,338)	(170,500)
Unrealized loss (gain) on investments	(526,976)	505,563
Increase in cash surrender value of life insurance	(12,598)	(9,202)
Change in non-cash operating working capital:		
Decrease (increase) in prepaid expenses	49,836	(45)
Increase in accounts receivable	(7,562)	-
Increase (decrease) in payable to The Moncton Hospital	347,724	(87,155)
Decrease in accrued liabilities	-	(1,004,000)
	411,501	81,811
Investing activity:		
Net decrease (increase) in investments	(486,587)	895,813
Decrease (increase) in cash	(75,086)	977,624
Cash, beginning of year	1,871,132	893,508
Cash, end of year (note 2)	\$ 1,796,046	\$ 1,871,132

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, 2017

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Friends of The Moncton Hospital Foundation, Inc. (the Foundation) is a not-for-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 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 Chartered Professional Accountants Canada Handbook.

### (a) 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 using closing prices. 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 investments at fair value.

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

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.

### (b) 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 funds, be it Specified or Endowment.

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

Interest and dividends are recorded on the accrual basis. Realized gain (loss) on sale of investments is the difference between proceeds received and the cost of the investment sold. All changes in fair value are recognized in investment income as part of the unrealized gain (loss) on investments. Other than investment income earned in the Endowment Funds, all investment income is recognized as revenue of the Unspecified Funds when earned (note 5).

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 1. Significant accounting policies (continued):

### (c) Capital assets:

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

### (d) 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 non-consolidated financial statements.

### (e) Use of estimates:

The preparation of non-consolidated 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 non-consolidated 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:

	2017	2016
Cash	\$ 1,796,046	\$ 1,871,132
Investments:		
Cash held at investment manager	419,204	423,232
Fixed income	6,287,108	6,024,262
Equities	5,228,829	4,474,084
	11,935,141	10,921,578
Cash surrender value of life insurance policies	104,507	91,909
	\$ 13,835,694	\$ 12,884,619
Allocation of cash and investments:		
Unspecified Funds	\$ 2,764,073	\$ 2,884,074
Specified Funds	4,062,202	3,730,423
Endowment Funds	7,009,419	6,270,122
	\$ 13,835,694	\$ 12,884,619

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2017

### 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.

	2016	2015
<b>Balance Sheet</b>		
Total assets	\$ 3,643,000	\$ 3,264,000
Total liabilities	\$ 1,000,000	\$ 808,000
Shareholder's equity	2,643,000	2,456,000
	\$ 3,643,000	\$ 3,264,000
<b>Results of Operations</b>		
Total revenues	\$ 1,356,000	\$ 1,220,000
Total expenses (i)	1,169,000	1,050,000
Net earnings	\$ 187,000	\$ 170,000
<b>Cash Flows</b>		
Cash provided by operations	\$ 306,000	\$ 249,000
Cash provided by (used for) financing activity	72,000	(258,000)
Cash used for investing activities	(519,000)	(61,000)
Decrease in cash	\$ (141,000)	\$ (70,000)

(i) Total expenses include contributions of \$75,000 (2015 - \$25,000) to the Foundation. The contribution is recorded in the donations and memorials in the unspecified funds.

### 4. Annual Appeals:

	2017	2016
<b>Revenues:</b>		
Annual Appeal 12	\$ -	\$ 1,180
Annual Appeal 13	-	135
Annual Appeal 14	1,802	56,587
Annual Appeal 15	85,153	732,086
Annual Appeal 16	755,934	10,328
Annual Appeal 17	1,074	-
	\$ 843,963	\$ 800,316
<b>Contributions to The Moncton Hospital:</b>		
Annual Appeal 13	\$ -	\$ 8,895
Annual Appeal 14	477,638	227,447
Annual Appeal 15	774,699	6,843
Annual Appeal 16	1,478	-
Annual Appeal 17	15	-
	\$ 1,253,830	\$ 243,185

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 5. Investment income (loss):

			2017		2016	
	Unspecified Funds	Endowment Funds	Total	Total	Total	Total
Interest and dividends	\$ 137,786	\$ 182,432	\$ 320,218	\$	\$ 325,231	
Realized gain (loss)	(21,889)	(41,892)	(63,781)		168,676	
Unrealized gain (loss)	194,040	332,936	526,976		(505,563)	
	\$ 309,937	\$ 473,476	\$ 783,413	\$	(11,656)	

## 6. Administrative expenses:

			2017		2016	
Unspecified:						
Salaries and benefits		\$ 617,310	\$	592,180		
Advertising and promotions		222,715		215,285		
General and administrative		175,988		200,333		
Professional services		68,432		57,660		
Conferences and training		13,857		19,292		
		1,098,302		1,084,750		
Endowment:						
Professional services		61,677		58,660		
		\$ 1,159,979	\$	1,143,410		

## 7. Financial risks:

The Board of Directors has identified its major risks and concerns and has approved investment policy guidelines. Management monitors the risk and adherence to the policy guidelines. The Foundation engages knowledgeable investment managers who are charged with the responsibility of monitoring and mitigating the risks.

The Company has exposure to the following risks from its use of financial instruments:

### a) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Foundation's investment, except for its investment in its subsidiary, are carried at fair value with fair value changes recognized in the non-consolidated Statement of Operations and Changes in Fund Balances, all changes in market conditions will directly result in an increase (decrease) in fund balances. Market price risk is managed by the Foundation through construction of a diversified portfolio of instruments traded on various markets and across various industries. There has been no change to the risk exposures from 2016.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 7. Financial risks (continued):

### b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Foundation maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities. There has been no change to the risk exposures from 2016.

### c) Foreign currency risk:

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation holds financial instruments denominated in currencies other than the Canadian dollar. Consequently, the Foundation is exposed to risk that the exchange rates of the various currencies may change in a manner that has an adverse effect on the value of the portion of the investments denominated in currencies other than the Canadian dollar. There has been no change to the risk exposures from 2016.

### d) Credit risk:

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Foundation. The Foundation is exposed to credit risk on its fixed income investments. The Foundation mitigates this risk by restricting fixed income investments to instruments with high quality credit ratings. There has been no change to the risk exposures from 2016.

## 8. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2017 non-consolidated financial statements.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2017

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## FOUNDATION DIRECTORY

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

OFFICERS AND DIRECTORS:

Chair	- Mr. Steve Fowler
1st Vice-Chair	- Mr. David Savoie
2nd Vice-Chair	- Mr. Tom Badger
Past Chair	- Mr. Paul Arsenault
Secretary	- Ms. Linda Saunders
Treasurer	- Ms. Maria Cormie
Ex Officio	- Ms. Karen McGrath
Directors	- Ms. Patricia Armour
	- Ms. Lisette Michaud-Carrier
	- Ms. Nicole Légère-Doucet
	- Dr. Paul Goobie
	- Mr. Bill Hennessey
	- Mr. Lorne Mitton
	- Mr. Kent Robinson
	- Ms. Lois Scott
	- Mr. Ryan Dillon

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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E1C 8N6