



**2017 – 2018 Annual Report**

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2018

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# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2018

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## INTRODUCTION

The Friends of The Moncton Hospital is the philanthropic arm of The Moncton Hospital. We work to inspire giving to help fund new technologies, innovation, renovated spaces and placing the right tools in the hands of our medical staff to strengthen patient care.

Our **MISSION** is to raise funds to help The Moncton Hospital deliver exceptional healthcare and promote wellness to meet the needs of our communities.

Our **VISION** is transforming healthcare and changing lives.

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, generous donors, a loyal group of volunteers and the community at large.

This Annual Report contains the financial detail and narrative highlights for 2017-2018 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, 2014, 2015, 2016, 2017, and 2018:

(000's)	2018	2017	2016	2015	2014
<b>REVENUES:</b>					
Capital Campaign	\$ 388	\$ –	\$ –	\$ –	\$ 1
Annual Appeals	712	844	800	843	789
Donations and Memorials	1,111	1,143	1,250	1,090	1,124
Planned Giving	456	392	336	822	335
Hand in Hand Dream Lottery	–	96	229	216	273
Employee Lottery	109	112	107	121	113
Investment Income	513	783	(12)	1,095	1,095
	<u>3,289</u>	<u>3,370</u>	<u>2,710</u>	<u>4,187</u>	<u>3,730</u>
<b>EXPENSES:</b>					
Administrative	1,265	1,160	1,143	805	946
Hand in Hand Dream Lottery	–	–	50	50	50
Employee Lottery	37	38	35	37	30
	<u>1,302</u>	<u>1,198</u>	<u>1,228</u>	<u>892</u>	<u>1,026</u>
	<u>1,987</u>	<u>2,172</u>	<u>1,482</u>	<u>3,295</u>	<u>2,704</u>
<b>CONTRIBUTIONS:</b>					
The Moncton Hospital	1,997	1,611	805	4,209	5,621
<b>OTHER INCOME:</b>					
Equity income from investment of subsidiary	252	187	171	168	285
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>					
	<u>\$ 242</u>	<u>\$ 748</u>	<u>\$ 848</u>	<u>\$ (746)</u>	<u>\$ (2,632)</u>
<b>FINANCIAL POSITION:</b>					
<b>ASSETS:</b>					
Cash and investments	\$ 14,200	\$ 13,836	\$ 12,885	\$ 13,299	\$ 13,120
Investment in subsidiary	2,896	2,643	2,456	2,286	2,117
Other assets	16	16	58	58	58
	<u>\$ 17,112</u>	<u>\$ 16,495</u>	<u>\$ 15,399</u>	<u>\$ 15,643</u>	<u>\$ 15,295</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities	\$ 1,004	\$ 630	\$ 282	\$ 1,374	\$ 280
Fund balances	16,108	15,865	15,117	14,269	15,015
	<u>\$ 17,112</u>	<u>\$ 16,495</u>	<u>\$ 15,399</u>	<u>\$ 15,643</u>	<u>\$ 15,295</u>

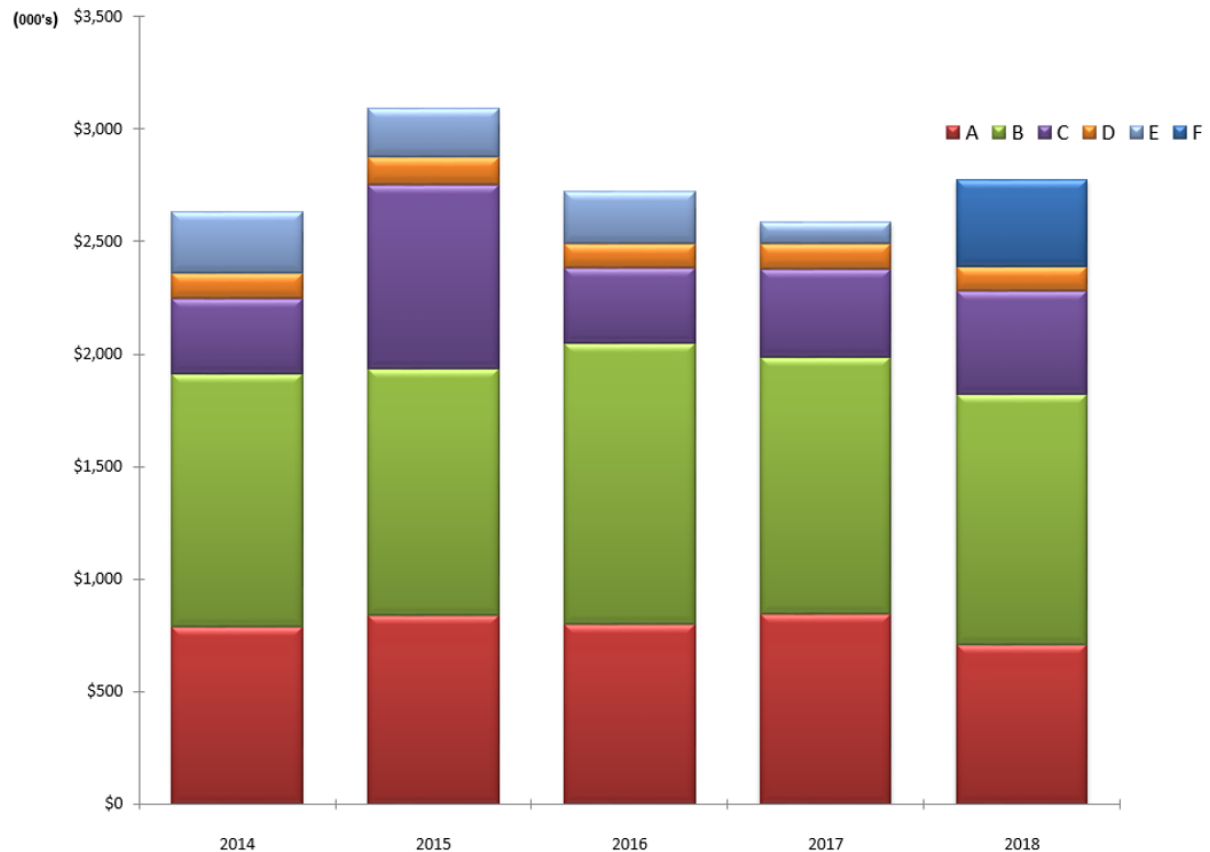
The details above are analyzed further on the following pages.

# 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**  
**F = Capital Campaign**

- A. The annual appeal goal for 2017-18 was significantly reduced from recent previous years to allow for a fund raising focus shift to an upcoming major capital campaign. Despite the shift, by the end of March \$776,800 had been raised on the goal of \$600,000.
- E. In 2016 the Friends of The Moncton Hospital Foundation and the CHUDumont Foundation decided to discontinue their House Lottery Joint Venture.
- F. Very early gifts to the Extraordinary Care capital campaign, which is scheduled for public launch in November of 2018.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

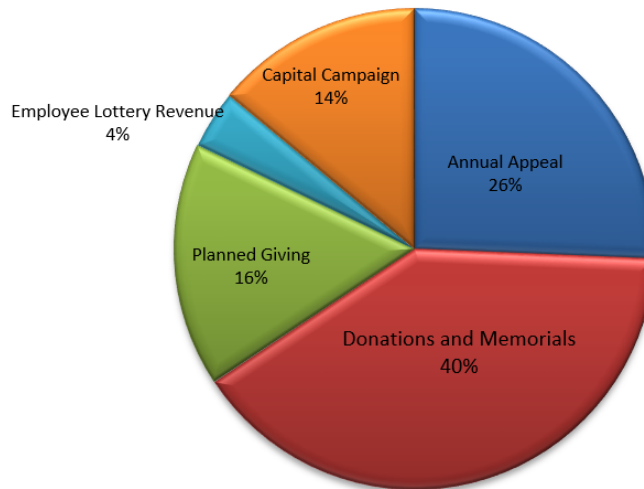
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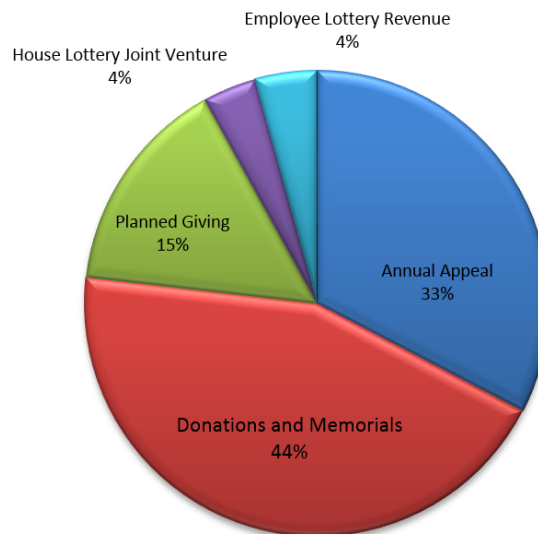
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## ANALYSIS: TOTAL REVENUE (Less Investment Income)

# 2018



# 2017



The major categories of revenue as a percentage of total revenue (less investment income) for the years ended March 31, 2018 and March 31, 2017 are displayed above. For details regarding investment income see note 6 of the non-consolidated financial statements (page 7).

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2018

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## CHAIR'S MESSAGE

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



Together, we are transforming the future of healthcare. Your extraordinary commitment to improving the well-being of people in Greater Moncton and beyond is changing lives, *each and every day*.

Thanks to you our donors, the Friends Foundation is able to provide funding to improve facilities and purchase innovative medical equipment, giving our compassionate care team the tools to help people heal and recover.

**Let's reflect on the impact that philanthropy had on our hospital and health care by reviewing our many achievements and contributions in 2017-2018.**

One of the highlights celebrated this past year was the grand opening of the new rooftop garden, a therapeutic recreational area for addiction and mental health inpatients. The garden, located on the 3rd floor of The Moncton Hospital, supports patients of the Provincial Child and Adolescent Psychiatry Unit, Youth Wellness Unit and Adult Psychiatry Unit. It is a space for patients to enjoy therapeutic, recreational and physical activities - no matter the season. The Foundation provided \$230,000 for garden construction, renovations, materials and labour.

The generosity of the community helped us raise over \$1.1 million for our **2016-2017 Annual Campaign** 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, thoracic and orthopedic surgeries, as well as in the Endoscopy (gastrointestinal) and Ophthalmology (eye) Clinics. Special thanks to campaign co-chairs Pat Armour and Lorne Mitton.

Our **People of The Moncton Hospital** Campaign on social media continued to generate great interest. 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. These personal stories put a real face on those benefiting from your donations.

The annual **Gifts for Life Society** luncheon was held in August to honour donors who have committed to making a special planned gift to the Friends. The guest speaker was Chief of Staff and emergency physician, Dr. Serge Melanson. We welcomed Mike and Judy Briggs as the newest Gifts for Life Society members.

Our **2017-2018 Annual Campaign** was launched in October to raise funds for two warm and comfortable specialized beds for newborns and a device to control bleeding during endoscopic procedures. Because of the early success of the campaign, we were delighted that we were able to order an additional three beds for the Labour and Birthing Unit. The highlight of this campaign was the acquisition of an O Arm, equipping our Neurosurgeons with the latest digital technology. The O Arm allows them to see three-dimensional images of the spine while performing surgery. This campaign is being led by Lois Scott and Pat Armour.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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## CHAIR'S MESSAGE (continued)

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, 2017 drew a large crowd and raised a record amount of \$115,000. The 17th 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 over \$90,000 for the Annual Campaign, the most ever in the event's history. Also of note, in three years the physician-led cycling fundraiser, **NB Doctors Cycling Against Cancer**, has raised over \$183,000 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, 12 cyclists including TMH physicians, family and pharmaceutical representatives, rode 500 kilometres around New Brunswick in five days last June.

The 7<sup>th</sup> Annual C103 / New Country 96.9 **Radiothon** set another fundraising level. The 2018 goal was \$50,000 which has been surpassed, reaching just shy of \$56,000. This year, a matching gift of \$10,000 from the Sandra Schmirler Foundation was secured to go towards the purchase of the Giraffe Infant Warmers. News of the matching gift inspired others to contribute a total of \$11,000. 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 **24th Annual Donor Dinner**, held on December 4th. During the evening 39 individuals, community groups, and businesses were recognized for having reached new milestones in cumulative giving.

The Foundation had a very successful year in **planned giving**, receiving nine bequests that ranged from \$500 to \$150,000 totalling \$349,021. In addition, 10 gifts of listed securities totalling \$51,457 and 11 life insurance gifts and premium payments of \$15,686 were received.

In May, we were happy to see many of our **Faithful Friends** (monthly donors), at a casual gathering that included an exclusive visit to GI (Gastrointestinal) Clinic. We were pleased to thank these special donors personally and showcase equipment that they helped purchase with their donations.

In 2016-2017, Friends' **endowments** continued to grow. Throughout the year \$234,256 was added, making the market value of all endowed funds at year end an impressive \$7,357,177. There were four new named endowments created which included the Laura Jean Stevens Endowment Fund, the Katherine Wright Angel Fund Endowment, the Gilbert Bowness Endowment Fund and the Imelda Leger Endowment Fund.

We are fortunate to have a number of endowments created to provide **educational funding for hospital staff**. This year, we were able to offer over \$50,000 in grants to 132 staff members attending conferences and workshops or pursuing other educational opportunities in their respective fields.

**We bid farewell** to Past Chair Paul Arsenault and Director Lorne Mitton who completed their terms of service on the board. We welcomed two new members to the board this year; Rob Hiscock and Rachelle Gagnon.



# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

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Year ended March 31, 2018

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## **CHAIR'S MESSAGE (continued)**

The loyal support of our donors is the cornerstone of our existence and we will need you more than ever as we plan for what will be the largest hospital fundraising campaign in New Brunswick's history. This campaign will enhance two major areas of strength at our hospital, putting us at the cutting edge of patient care while creating a lasting legacy for generations. At this time of tremendous change, we will need everyone to join together to help realize our vision.

**Our donors are difference-makers.**

**Thank you for** giving people the chance to live better, longer and healthier lives through your unwavering support of advanced healthcare.



**David Savoie, Chair**  
**Friends of The Moncton Hospital Foundation**

Non-Consolidated Financial Statements of

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

Year ended March 31, 2018



KPMG LLP  
Frederick Square  
77 Westmorland Street Suite 700  
Fredericton NB E3B 6Z3  
Telephone (506) 452-8000  
Fax (506) 450-0072

One Factory Lane  
PO Box 827  
Moncton NB E1C 8N6  
Telephone (506) 856-4400  
Fax (506) 856-4499

133 Prince William Street  
PO Box 2388 Stn Main  
Saint John NB E2L 3V6  
Telephone (506) 634-1000  
Fax (506) 633-8828

## 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, 2018, 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, 2018, 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  
Moncton, Canada  
May 31, 2018

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Financial Position

March 31, 2018, with comparative information for 2017

				2018	2017
	Unspecified Funds	Specified Funds	Endowment Funds	Total	Total
Cash and investments (note 2)	\$ 2,754,641	\$ 4,088,414	\$ 7,357,177	\$ 14,200,232	\$ 13,835,694
Prepaid expenses	8,400	–	–	8,400	8,377
Accounts receivable	7,672	–	–	7,672	7,562
Investment in subsidiary (note 3)	2,895,600	–	–	2,895,600	2,643,352
	\$ 5,666,313	\$ 4,088,414	\$ 7,357,177	\$ 17,111,904	\$ 16,494,985

## Assets

## Liabilities and Fund Balances

Liabilities:					
Payable to The Moncton Hospital	\$ 76,574	\$ 914,944	\$ –	\$ 991,518	\$ 618,029
Accrued liabilities	12,000	–	–	12,000	12,000
	88,574	914,944	–	1,003,518	630,029
Fund balances:					
Unrestricted	5,577,739	–	–	5,577,739	5,329,457
Externally restricted	–	3,173,470	–	3,173,470	3,526,080
Endowment (note 4)	–	–	7,357,177	7,357,177	7,009,419
	5,577,739	3,173,470	7,357,177	16,108,386	15,864,956
	\$ 5,666,313	\$ 4,088,414	\$ 7,357,177	\$ 17,111,904	\$ 16,494,985

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, 2018, with comparative information for 2017

	Unspecified Funds	Specified Funds	Endowment Funds	2018 Total	2017 Total
<b>Revenues:</b>					
Annual Appeal (note 5)	\$ —	\$ 712,005	\$ —	\$ 712,005	\$ 843,963
Capital Campaign	—	388,200	—	388,200	—
Donations and Memorials	470,840	638,336	2,288	1,111,464	1,143,142
Planned Giving	224,458	—	231,988	456,446	391,776
Hand in Hand Dream Lottery	—	—	—	—	95,492
Employee Lottery	109,110	—	—	109,110	112,150
Investment income (note 6)	193,065	—	319,702	512,767	783,413
	997,473	1,738,541	553,978	3,289,992	3,369,936
<b>Expenses:</b>					
Administrative (note 7)	1,204,146	—	60,833	1,264,979	1,159,979
Hand in Hand Dream Lottery	—	—	—	—	390
Employee Lottery	36,458	—	—	36,458	37,425
	1,240,604	—	60,833	1,301,437	1,197,794
Excess (deficiency) of revenues over expenses before the undernoted	(243,131)	1,738,541	493,145	1,988,555	2,172,142
<b>Distributions to The Moncton Hospital:</b>					
Annual Appeal (note 5)	—	1,510,168	—	1,510,168	1,253,830
Other	—	487,205	—	487,205	357,235
	—	1,997,373	—	1,997,373	1,611,065
Excess (deficiency) of revenues over expenses before the undernoted	(243,131)	(258,832)	493,145	(8,818)	561,077
Equity income from investment in subsidiary	252,248	—	—	252,248	187,338
Excess (deficiency) of revenues over expenses	9,117	(258,832)	493,145	243,430	748,415
Fund balances, beginning of year	5,329,457	3,526,080	7,009,419	15,864,956	15,116,541
Transfer of Funds during the year	239,165	(93,778)	(145,387)	—	—
Fund balances, end of year	\$ 5,577,739	\$ 3,173,470	\$ 7,357,177	\$ 16,108,386	\$ 15,864,956

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 243,430	\$ 748,415
Items not involving cash:		
Equity income from investment in subsidiary	(252,248)	(187,338)
Unrealized loss (gain) on investments	7,151	(526,976)
Increase in cash surrender value of life insurance	(13,686)	(12,598)
Change in non-cash operating working capital:		
Decrease (increase) in prepaid expenses	(23)	49,836
Increase in accounts receivable	(110)	(7,562)
Increase in payable to The Moncton Hospital	373,489	347,724
	358,003	411,501
Investing activity:		
Net increase in investments	(659,311)	(486,587)
Decrease in cash	(301,308)	(75,086)
Cash, beginning of year	1,796,046	1,871,132
Cash, end of year (note 2)	\$ 1,494,738	\$ 1,796,046

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, 2018

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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 6).

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2018

## 1. Significant accounting policies (continued):

### (c) Capital assets:

The Foundation does not own 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:

	2018	2017
Cash	\$ 1,494,738	\$ 1,796,046
Investments:		
Cash held at investment manager	517,696	419,204
Fixed income	6,549,989	6,287,108
Equities	5,519,616	5,228,829
	12,587,301	11,935,141
Cash surrender value of life insurance policies	118,193	104,507
	\$ 14,200,232	\$ 13,835,694
Allocation of cash and investments:		
Unspecified Funds	\$ 2,754,641	\$ 2,764,073
Specified Funds	4,088,414	4,062,202
Endowment Funds	7,357,177	7,009,419
	\$ 14,200,232	\$ 13,835,694



# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2018

### 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.

	2018	2017
<b>Balance Sheet</b>		
Total assets	\$ 3,858,000	\$ 3,643,000
Total liabilities	\$ 962,000	\$ 1,000,000
Shareholder's equity	2,896,000	2,643,000
	\$ 3,858,000	\$ 3,643,000
<b>Results of Operations</b>		
Total revenues	\$ 1,516,000	\$ 1,356,000
Total expenses (i)	1,264,000	1,169,000
Net earnings	\$ 252,000	\$ 187,000
<b>Cash Flows</b>		
Cash provided by operations	\$ 531,000	\$ 306,000
Cash provided by financing activities	10,000	72,000
Cash used for investing activities	(452,000)	(519,000)
Increase (decrease) in cash	\$ 89,000	\$ (141,000)

(i) Total expenses include contributions of \$200,000 (2016 - \$75,000) to the Foundation. The contribution is recorded in the donations and memorials in the unspecified funds.

### 4. Endowment:

Endowment fund balances are subject to internally and externally imposed-restrictions stipulating that the resources be maintained permanently.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2018

## 5. Annual Appeals:

	2018		2017	
Revenues:				
Annual Appeal 14	\$	–	\$	1,802
Annual Appeal 15		–		85,153
Annual Appeal 16		83,059		755,934
Annual Appeal 17		628,946		1,074
	\$	712,005	\$	843,963
Contributions to The Moncton Hospital:				
Annual Appeal 07	\$	54,973	\$	–
Annual Appeal 14		–		477,638
Annual Appeal 15		150,170		774,699
Annual Appeal 16		979,595		1,478
Annual Appeal 17		325,430		15
	\$	1,510,168	\$	1,253,830

## 6. Investment income (loss):

	2018			2017	
	Unspecified Funds	Endowment Funds	Total	Total	
Interest and dividends	\$ 138,166	\$ 186,678	\$ 324,844	\$	320,218
Realized gain (loss)	85,811	109,263	195,074		(63,781)
Unrealized gain (loss)	(30,912)	23,761	(7,151)		526,976
	\$ 193,065	\$ 319,702	\$ 512,767	\$	783,413

## 7. Administrative expenses:

	2018		2017	
Unspecified:				
Salaries and benefits	\$	635,517	\$	617,310
Advertising and promotions		203,291		222,715
General and administrative		289,882		175,988
Professional services		58,117		68,432
Conferences and training		17,339		13,857
		1,204,146		1,098,302
Endowment:				
Professional services		60,833		61,677
	\$	1,264,979	\$	1,159,979

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2018

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## 8. 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 2017.

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 2017.

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 2017.

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 2017.

# FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2018

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## FOUNDATION DIRECTORY

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

OFFICERS AND DIRECTORS:

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

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:

KPMG LLP  
Place Marven's  
One Factory Lane  
PO Box 827  
Moncton, NB  
E1C 8N6