



2013 – 2014 Annual Report

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

Introduction	1
Highlights	2
Chair's Message	5
Non-Consolidated Financial Statements	7
Independent Auditors' Report	8
Non-Consolidated Statement of Financial Position	9
Non-Consolidated Statement of Operations and Changes in Fund Balances	10
Non-Consolidated Statement of Cash Flows.....	11
Notes to Non-Consolidated Financial Statements	12
Foundation Directory	16

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

INTRODUCTION

This Annual Report for the Friends of The Moncton Hospital Foundation contains the financial detail and narrative highlights for 2013-2014 with comparative data from previous years.

Highlights of the past year's initiatives are included in the Chair's message.

The Friends of The Moncton Hospital Foundation, Inc. is governed by a Board of Directors consisting of 15 members who receive no remuneration for their services. The foundation is supported by the Development Department staff of the Horizon Health Network, Moncton Area and a very significant level of volunteerism contributed by the directors and the community at large.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

HIGHLIGHTS

The following summarizes the revenues, expenses and contributions and the financial position of the Foundation for the years ended March 31, 2010, 2011, 2012, 2013 and 2014:

(000's)	2014	2013	2012	2011	2010
REVENUES:					
Capital Campaign	\$ 1	\$ 6	\$ 39	\$ 199	\$ 1,056
Annual Appeals	789	1,012	910	837	574
Donations and Memorials	1,124	1,951	2,126	2,945	2,218
Planned Giving	335	377	284	224	94
Hand in Hand Dream Lottery	273	—	—	—	93
Employee Lottery Revenue	113	117	100	112	112
Investment Income	1,095	780	380	611	945
	<u>3,730</u>	<u>4,243</u>	<u>3,839</u>	<u>4,928</u>	<u>5,092</u>
EXPENSES:					
Administrative	946	905	753	678	652
Hand in Hand Dream Lottery	50	—	—	—	—
Employee Lottery Expense	30	37	46	36	25
	<u>1,026</u>	<u>942</u>	<u>799</u>	<u>714</u>	<u>677</u>
	<u>2,704</u>	<u>3,301</u>	<u>3,040</u>	<u>4,214</u>	<u>4,415</u>
CONTRIBUTIONS:					
The Moncton Hospital	5,621	2,363	2,957	1,562	2,326
OTHER INCOME:					
Equity income from investment of subsidiary	285	196	159	163	132
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	<u>\$ (2,632)</u>	<u>\$ 1,134</u>	<u>\$ 242</u>	<u>\$ 2,815</u>	<u>\$ 2,221</u>
FINANCIAL POSITION:					
ASSETS:					
Cash and investments	\$ 13,120	\$ 15,988	\$ 16,023	\$ 15,652	\$ 13,031
Investment in subsidiary	2,117	1,832	1,636	1,477	1,314
Other assets	58	188	13	65	114
	<u>\$ 15,295</u>	<u>\$ 18,008</u>	<u>\$ 17,672</u>	<u>\$ 17,194</u>	<u>\$ 14,459</u>
LIABILITIES AND FUND BALANCES:					
Liabilities	\$ 280	\$ 361	\$ 1,159	\$ 923	\$ 1,003
Fund balances	15,015	17,647	16,513	16,271	13,456
	<u>\$ 15,295</u>	<u>\$ 18,008</u>	<u>\$ 17,672</u>	<u>\$ 17,194</u>	<u>\$ 14,459</u>

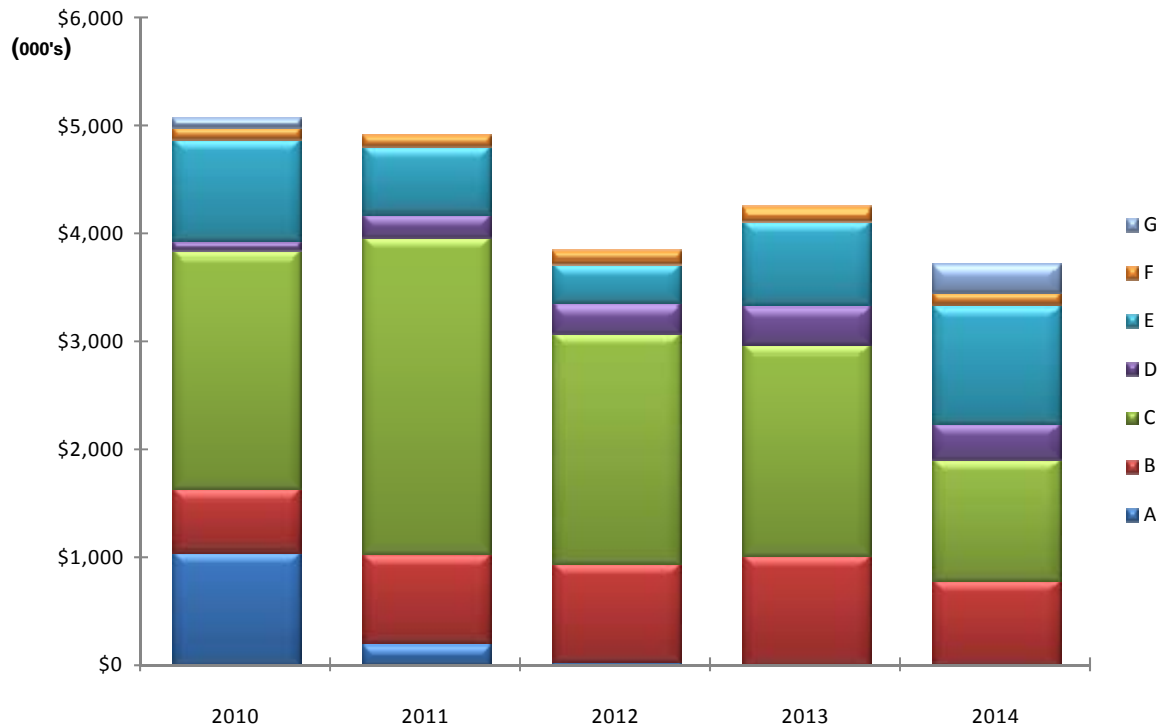
The details above are analyzed further on the following pages.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

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

- B. While the final response to the 2013-14 annual campaign, which wrapped up in May of 2014, was even greater than that of 2012-13, the timing of the receipt of gifts to this year's campaign resulted in a lower total recorded prior to March 31. In addition, in 2012-13 a total of \$259,997 was contributed to the annual campaigns of previous years vs. \$176,820 given to older campaigns in 2013-14.
- C. In 2009-10 the first contribution in a four year commitment of \$5,000,000 for the new Oncology Clinic was received. The final contribution of \$820,000 was received in 2012-13. Other gifts received in the Donations and Memorials category in 2013-14 are on par with the previous year.
- G. The second Hand in Hand Dream Lottery, launched in the spring of 2013 in partnership with the CHUDumont Foundation, was very successful, netting \$450,000 to be shared equally between the two foundations to benefit health care in our community.

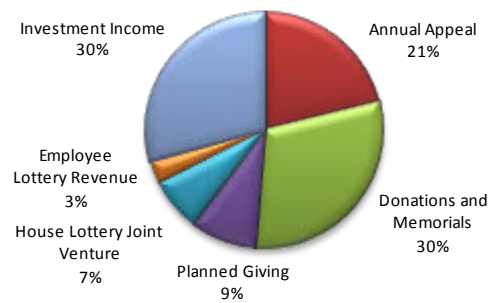
FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

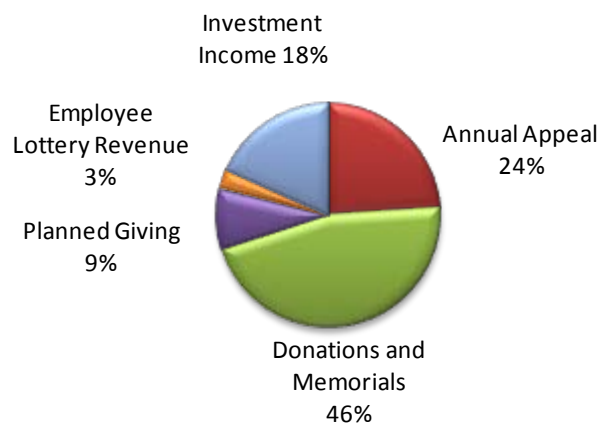
Year ended March 31, 2014

REVENUE ANALYSIS

2014



2013



The major categories of revenue as a percentage of total revenue for the years ended March 31, 2014 and March 31, 2013 are displayed above.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

CHAIR'S MESSAGE

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



At the Friends of The Moncton Hospital Foundation, we are incredibly proud to help support our Hospital but we couldn't do it without you, our donors. You can be assured that your gifts are being used wisely and to the greatest effect possible - benefitting patients and their families in our region.

Your donations allow the Foundation to inspire and empower compassionate, innovative patient care by providing leading edge tools, education and facility enhancements.

As always, we are committed to financial accountability and transparency.

Let's take the time to celebrate our many accomplishments this past year including realizing over \$3.7 million through various fund raising methods and resource management.

Advanced technology to enhance patient care has been made possible for the Surgery Program, Post Anesthesia Care Unit, the Neurosurgery Program and Respiratory Services (which includes the intensive care units) at The Moncton Hospital. This, all thanks to the generosity of donors who not only helped reach the Annual Campaign 2012 - 2013 goal of \$825,000, but exceed it by \$25,000! This allowed The Moncton Hospital to improve its role as a leader in cancer care in New Brunswick by purchasing technology to provide **liver resection surgery**. A **neuro microscope**, which is used in the majority of neurosurgical procedures, was also purchased along with **monitors** for the Post Anesthesia Care Unit and **ventilators** for the ICUs.

Throughout the year numerous community based events were held which generated over \$370,000 for the Foundation including our two signature events. The RBC "Swing into Spring" gala was held on April 27th, 2013 which drew a large crowd and raised \$52,000. The 13th annual Taylor Ford "Hit It Fore Health" golf tournament at Fox Creek Golf Club in September was another outstanding success. In fact, this sold-out event raised a record \$62,000 for the Annual Campaign.

Another highlight was that we partnered once again with the CHU Dumont Foundation for the Hand in Hand Dream Lottery. \$456,000 has been invested in the quality of patient care at both the Dr. Georges-L.-Dumont University Hospital Centre and The Moncton Hospital.

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. Michelle Conrad, Gerontologist. We were pleased to welcome Terry Gauvin and Cheryl & Don McCabe as Friends' Gifts for Life Society members.

A new Monthly Donor Program was launched in September. The "Faithful Friends Club" was established to better acknowledge existing monthly donors and to encourage others to contribute monthly. All Faithful Friends Club members receive a "Moncton H Club" pin and are invited to an annual reception and tour of the Hospital.

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Annual Report

Year ended March 31, 2014

CHAIR'S MESSAGE (continued)

In October, the Friends launched its Annual Campaign 2013 - 2014 to raise \$850,000 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.

The 20th Annual Donor Dinner, held on December 4th gave the Foundation the opportunity to recognize 23 donors who had reached new milestones in cumulative giving, starting at \$10,000.

Through a partnership between the Friends, Horizon Health Network and the Province, construction began on the new Oncology Clinic which will open in late summer, providing a spacious, comfortable and soothing atmosphere where patients can receive their treatments.

We have had very impressive results through our Planned Giving Program this year. We have been most fortunate in having received seven bequests ranging from \$1,000 - \$200,000 for a total of \$287,589. In addition, there were seven gifts of securities totalling \$53,588 and life insurance premium payments totalling \$13,530.

We were very pleased to have been able to award more than \$37,000 in education grants to over 83 hospital staff. Education funds are made available through three endowed funds, one of which is a named fund- The Ronald E and Marguerite (Peg) MacBeath Endowment.

In 2014, Friends endowment continued to grow. \$277,853 in contributions were added to the fund including a new named endowment created for Nursing Education - The Johannes Notten and Olive and Jean Furlotte Endowment. \$168,380 was drawn out of endowment to support The Moncton Hospital and by year end, the market value of all endowed funds totalled \$4,911,258.

We bid farewell to board members Larry Nelson and Robert Horton Després. Both made a significant contribution to the Friends. New to the board this year are Rob Robichaud and Kent Robinson.

There is not an area in the hospital that has not been touched by the generosity of our many donors. With deep respect and gratitude, we dedicate this report to our donors, volunteers and partners who allow us to procure the most advanced technology offering extraordinary healthcare for our patients, which in turn supports the recruitment and retention of medical staff. Thank you all for your continued dedication to improving health care and patient comfort at The Moncton Hospital.

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



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

Non-Consolidated Financial Statements of

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

Year ended March 31, 2014

**KPMG LLP**

Frederick Square
77 Westmorland Street Suite 700
Fredericton NB E3B 6Z3
Telephone (506) 452-8000
Fax (506) 450-0072
Internet www.kpmg.ca

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

Harbour Building
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, 2014, 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 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, 2014, 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 Accountants

May 29, 2014

Moncton, Canada

FRIENDS OF THE MONCTON HOSPITAL FOUNDATION, INC.

Non-Consolidated Statement of Financial Position

March 31, 2014, with comparative information for 2013

				2014	2013
	Unspecified Funds	Specified Funds	Endowment Funds	Total	Total
Assets					
Cash and investments (note 2)	\$ 2,082,366	\$ 5,365,590	\$ 5,671,550	\$ 13,119,506	\$ 15,987,633
Accounts receivable	—	—	—	—	154,608
Prepaid expenses	58,146	—	—	58,146	33,519
Investment in subsidiary (note 3)	2,117,065	—	—	2,117,065	1,832,157
	<u>\$ 4,257,577</u>	<u>\$ 5,365,590</u>	<u>\$ 5,671,550</u>	<u>\$ 15,294,717</u>	<u>\$ 18,007,917</u>

Liabilities and Fund Balances

Liabilities:					
Payable to The Moncton Hospital	\$ 98,480	\$ 162,343	\$ 3,421	\$ 264,244	\$ 345,156
Accrued liabilities	16,000	—	—	16,000	16,000
	<u>114,480</u>	<u>162,343</u>	<u>3,421</u>	<u>280,244</u>	<u>361,156</u>
Fund balances:					
Unrestricted	4,143,097	—	—	4,143,097	2,949,215
Externally restricted	—	5,203,247	5,668,129	10,871,376	14,697,546
	<u>4,143,097</u>	<u>5,203,247</u>	<u>5,668,129</u>	<u>15,014,473</u>	<u>17,646,761</u>
	<u>\$ 4,257,577</u>	<u>\$ 5,365,590</u>	<u>\$ 5,671,550</u>	<u>\$ 15,294,717</u>	<u>\$ 18,007,917</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, 2014, with comparative information for 2013

	Unspecified Funds	Specified Funds	Endowment Funds	2014 Total	2013 Total
Revenues:					
Capital Campaign	\$ -	\$ 900	\$ -	\$ 900	\$ 5,751
Annual Appeal 06	-	43,213	-	43,213	99,424
Annual Appeal 08	-	-	-	-	540
Annual Appeal 10	-	297	-	297	99,534
Annual Appeal 11	-	102	-	102	60,499
Annual Appeal 12	-	133,208	-	133,208	751,960
Annual Appeal 13	-	611,933	-	611,933	-
Donations and Memorials	495,697	600,841	27,875	1,124,413	1,950,794
Planned Giving	157,425	-	177,634	335,059	377,276
Hand in Hand Dream Lottery	273,247	-	-	273,247	-
Employee Lottery revenue	112,874	-	-	112,874	116,750
Investment income	623,327	-	471,712	1,095,039	779,889
	1,662,570	1,390,494	677,221	3,730,285	4,242,417
Expenses:					
Administrative	809,010	-	137,308	946,318	905,290
Hand in Hand Dream Lottery	50,395	-	-	50,395	-
Employee Lottery expense	29,800	-	-	29,800	37,400
	889,205	-	137,308	1,026,513	942,690
Net revenues	773,365	1,390,494	539,913	2,703,772	3,299,727
Contributions to The Moncton Hospital:					
Annual Appeal 06	-	2,281	-	2,281	15,103
Annual Appeal 10	-	-	-	-	146,324
Annual Appeal 11	-	6,045	-	6,045	624,709
Annual Appeal 12	-	86,814	-	86,814	94,510
Annual Appeal 13	-	2,669	-	2,669	-
Capital Campaign	-	-	-	-	650,444
Other	-	5,523,159	-	5,523,159	831,991
	-	5,620,968	-	5,620,968	2,363,081
Excess (deficiency) of revenues over expenses before the undernoted	773,365	(4,230,474)	539,913	(2,917,196)	936,646
Equity income from investment in subsidiary	284,908	-	-	284,908	196,661
Excess (deficiency) of revenues over expenses	1,058,273	(4,230,474)	539,913	(2,632,288)	1,133,307
Fund balances, beginning of year	2,949,215	9,664,202	5,033,344	17,646,761	16,513,454
Transfer of Funds during the year	135,609	(230,481)	94,872	-	-
Fund balances, end of year	\$ 4,143,097	\$ 5,203,247	\$ 5,668,129	\$ 15,014,473	\$ 17,646,761

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, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (2,632,288)	\$ 1,133,307
Items not involving cash:		
Equity income of subsidiary	(284,908)	(196,661)
Write down of real property	86,000	-
Unrealized gain on investments	216,578	(159,742)
Increase in cash surrender value of life insurance	(13,531)	(9,052)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	154,608	(149,189)
Increase in prepaid expenses	(24,627)	(25,540)
Decrease in payable to The Moncton Hospital	(80,912)	(797,519)
	(2,579,080)	(204,396)
Investing activities:		
Decrease (increase) in investments	889,914	(1,683,304)
Decrease in cash position	(1,689,166)	(1,887,700)
Cash position, beginning of year	2,797,567	4,685,267
Cash position, end of year (note 2)	\$ 1,108,401	\$ 2,797,567

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, 2014

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) Investment in marketable securities:

Marketable securities 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 not elected to carry any such financial instruments 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:

	2014	2013
Cash	\$ 1,108,401	\$ 2,797,567
Marketable securities	11,629,572	12,736,064
Cash surrender value of life insurance policies	77,533	64,002
Real property	304,000	390,000
	\$ 13,119,506	\$ 15,987,633
Allocation of cash and investments:		
Unspecified Funds	\$ 2,082,366	\$ 1,062,144
Specified Funds	5,365,590	9,664,202
Endowment Funds	5,671,550	5,261,287
	\$ 13,119,506	\$ 15,987,633

During the year, the Foundation wrote down the real property to its estimated fair value. The write down in the amount of \$86,000 was recorded in the administrative expenses of the Endowment Funds.

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.

	2014	2013
Balance Sheet		
Total assets	\$ 3,536,000	\$ 3,370,000
Total liabilities		
Shareholders' equity	\$ 1,419,000	\$ 1,538,000
	2,117,000	1,832,000
	\$ 3,536,000	\$ 3,370,000
Results of Operations		
Total revenues	\$ 1,329,000	\$ 1,353,000
Total expenses (1)	1,044,000	1,156,000
Net earnings	\$ 285,000	\$ 197,000
Cash Flows		
Cash provided by operations	\$ 529,000	\$ 198,000
Cash provided (used) for financing activities	(225,000)	389,000
Cash used for investing activities	(82,000)	(934,000)
Increase (decrease) in cash	\$ 222,000	\$ (347,000)

(1) Total expenses include contributions of nil (2013 - \$150,000) to the Foundation.

4. Hand in Hand Dream Lottery:

In 2013, 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 2013 Hand in Hand Dream Lottery. The fundraising program for the 2013 Hand in Hand Dream Lottery was completed and the Foundation has recorded its share of the revenues and expenses. During the year, the Foundation continued its joint venture relationship to support the 2014 Hand in Hand Dream Lottery. Included in prepaid expenses of the Foundation is \$50,000 (2013 - \$25,395) 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, 2014

FOUNDATION DIRECTORY

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

OFFICERS AND DIRECTORS:

Honorary Chair	- Mr. Reuben Cohen, Q.C.
Chair	- Mr. Paul Arsenault
1st Vice-Chair	- Mr. Steve Fowler
2nd Vice-Chair	- Mr. David Savoie
Past Chair	- Mr. David Holt
Secretary	- Mrs. Linda Saunders
Treasurer	- Mrs. Maria Cormie
Ex Officio	- Mr. John McGarry
Directors	- Mr. Tom Badger
	- Dr. John McManaman
	- Mr. Lorne Mitton
	- Dr. Jeff Mowat
	- Mrs. Anne Poirier Basque
	- Mr. Rob Robichaud
	- Mr. Kent Robinson
	- Mr. Brent Scrimshaw
	- Mrs. 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:

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