

**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

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**LANGHORNE  
IRWIN  
WHARRAM-SPRY, LLP**

**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Northumberland Hills Hospital Foundation

We have audited the accompanying financial statements of Northumberland Hills Hospital Foundation, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in fund balances and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

**Basis for Qualified Opinion**

In common with many charitable organizations, the Foundation derives revenue from donations and other fundraising revenues, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts in the records of the Foundation. We are not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Northumberland Hills Hospital 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.

*Langhorne Irwin  
Wharram - Spry, LLP*

Cobourg, Ontario  
June 18, 2014

Chartered Accountants  
Licensed Public Accountants

**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2014**

|  | GENERAL<br>FUND   | OVERHEAD<br>RESERVE<br>FUND | ENDOWMENT<br>FUND   | FUTURE<br>EQUIPMENT<br>RESERVE FUND | 2014                | 2013                |
|--|-------------------|-----------------------------|---------------------|-------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                            |                   |                             |                     |                                     |                     |                     |
| <b>CURRENT</b>                           |                   |                             |                     |                                     |                     |                     |
| Cash                                     | \$ 81,409         | \$ -                        | \$ -                | \$ -                                | \$ 81,409           | \$ 7,482            |
| HST receivable                           | 11,309            | -                           | -                   | -                                   | 11,309              | 7,310               |
| Prepaid expense                          | 4,000             | -                           | -                   | -                                   | 4,000               | -                   |
|  | 96,718            | -                           | -                   | -                                   | 96,718              | 14,792              |
| <b>INVESTMENTS (Note 5)</b>              | 890,805           | 385,920                     | 3,211,482           | 1,198,803                           | 5,687,010           | 5,685,302           |
|  | <b>\$ 987,523</b> | <b>\$ 385,920</b>           | <b>\$ 3,211,482</b> | <b>\$ 1,198,803</b>                 | <b>\$ 5,783,728</b> | <b>\$ 5,700,094</b> |
| <b>LIABILITIES</b>                       |                   |                             |                     |                                     |                     |                     |
| <b>CURRENT</b>                           |                   |                             |                     |                                     |                     |                     |
| Accounts payable and accrued liabilities | \$ 1,342,467      | \$ -                        | \$ -                | \$ -                                | \$ 1,342,467        | \$ 495,828          |
| Deferred revenue                         | 30,000            | -                           | -                   | -                                   | 30,000              | 13,333              |
|  | 1,372,467         | -                           | -                   | -                                   | 1,372,467           | 509,161             |
| <b>FUND BALANCES</b>                     |                   |                             |                     |                                     |                     |                     |
| <b>RESTRICTED</b>                        | -                 | -                           | 2,846,235           | -                                   | 2,846,235           | 2,255,274           |
| <b>INTERNALLY RESTRICTED</b>             | -                 | 385,920                     | 365,247             | 1,198,803                           | 1,949,970           | 1,644,052           |
| <b>UNRESTRICTED</b>                      | (384,944)         | -                           | -                   | -                                   | (384,944)           | 1,291,607           |
|  | (384,944)         | 385,920                     | 3,211,482           | 1,198,803                           | 4,411,261           | 5,190,933           |
|  | <b>\$ 987,523</b> | <b>\$ 385,920</b>           | <b>\$ 3,211,482</b> | <b>\$ 1,198,803</b>                 | <b>\$ 5,783,728</b> | <b>\$ 5,700,094</b> |

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes form an integral part of these financial statements.

**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

|   | GENERAL<br>FUND       | OVERHEAD<br>RESERVE<br>FUND | ENDOWMENT<br>FUND | FUTURE<br>EQUIPMENT<br>RESERVE FUND | 2014                | 2013              |
|---|-----------------------|-----------------------------|-------------------|-------------------------------------|---------------------|-------------------|
| <b>REVENUE</b>  |                       |                             |                   |                                     |                     |                   |
| Donations   | \$ 632,080            | \$ -                        | \$ -              | \$ -                                | \$ 632,080          | \$ 320,396        |
| Caring for Generations/Business partners                | 156,487               | -                           | -                 | -                                   | 156,487             | 169,874           |
| Signature events  | 493,711               | -                           | -                 | -                                   | 493,711             | 599,465           |
| Third party events                                      | 66,534                | -                           | -                 | -                                   | 66,534              | 95,095            |
| In Memoriam donations/Commemorative giving              | 134,717               | -                           | -                 | -                                   | 134,717             | 104,331           |
| Planned Giving  | 23,130                | -                           | 2,570             | -                                   | 25,700              | 197,621           |
| Pledge redemptions                                      | 16,390                | -                           | -                 | -                                   | 16,390              | 103,695           |
| Endowment donations                                     | -                     | -                           | 336,813           | -                                   | 336,813             | 130,561           |
| Investment income                                       | 14,867                | 11,885                      | 84,236            | 28,661                              | 139,649             | 133,593           |
| Gain (loss) on sale of investments                      | -                     | -                           | (6,292)           | -                                   | (6,292)             | 28,267            |
| Loss on sale of donated shares                          | (6,259)               | -                           | (1,783)           | -                                   | (8,042)             | (2,332)           |
| Unrealized gain on investments                          | -                     | 14,967                      | 228,836           | 13,769                              | 257,572             | 45,648            |
| Foreign exchange gain (loss)                            | -                     | -                           | 14                | -                                   | 14                  | (691)             |
|   | 1,531,657             | 26,852                      | 644,394           | 42,430                              | 2,245,333           | 1,925,523         |
| <b>EXPENSES</b>   |                       |                             |                   |                                     |                     |                   |
| Advertising and creative                                | 7,509                 | -                           | -                 | -                                   | 7,509               | 5,390             |
| Amortization of capital assets                          | -                     | -                           | -                 | -                                   | -                   | 3,665             |
| Bank charges and administration fees                    | 11,625                | -                           | 11,385            | -                                   | 23,010              | 14,595            |
| Board/staff development and travel                      | 5,573                 | -                           | -                 | -                                   | 5,573               | 6,175             |
| Computer supplies and software                          | 4,865                 | -                           | -                 | -                                   | 4,865               | 4,633             |
| Hospital services chargeback                            | 6,177                 | -                           | -                 | -                                   | 6,177               | 6,236             |
| Mailings and postage                                    | 12,094                | -                           | -                 | -                                   | 12,094              | 12,036            |
| Memberships   | 3,357                 | -                           | -                 | -                                   | 3,357               | 2,029             |
| Office and miscellaneous                                | 11,896                | -                           | -                 | -                                   | 11,896              | 11,276            |
| Printing and newsletter                                 | 7,618                 | -                           | -                 | -                                   | 7,618               | 7,948             |
| Professional and contract services                      | 25,727                | -                           | -                 | -                                   | 25,727              | 23,104            |
| Salaries and benefits                                   | 317,148               | -                           | -                 | -                                   | 317,148             | 272,898           |
| Fundraising costs                                       | 158,484               | -                           | -                 | -                                   | 158,484             | 187,640           |
| Stewardship expenses                                    | 11,219                | -                           | -                 | -                                   | 11,219              | 16,039            |
| Donations and distributions to Hospital                 | 2,430,328             | -                           | -                 | -                                   | 2,430,328           | 1,044,203         |
|   | 3,013,620             | -                           | 11,385            | -                                   | 3,025,005           | 1,617,867         |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENSES</b> | <b>\$ (1,481,963)</b> | <b>\$ 26,852</b>            | <b>\$ 633,009</b> | <b>\$ 42,430</b>                    | <b>\$ (779,672)</b> | <b>\$ 307,656</b> |

The accompanying notes form an integral part of these financial statements.

**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2014**

|   | GENERAL<br>FUND | OVERHEAD<br>RESERVE<br>FUND | ENDOWMENT<br>FUND | FUTURE<br>EQUIPMENT<br>RESERVE FUND | 2014         | 2013         |
|---|-----------------|-----------------------------|-------------------|-------------------------------------|--------------|--------------|
| <b>FUND BALANCES</b> , beginning of year          | \$ 1,291,609    | \$ 359,068                  | \$ 2,585,773      | \$ 954,483                          | \$ 5,190,933 | \$ 4,883,277 |
| Excess (deficiency) of revenue<br>over expenses   | (1,481,963)     | 26,852                      | 633,009           | 42,430                              | (779,672)    | 307,656      |
| Interfund transfers                               |                 |                             |                   |                                     |              |              |
| Internal commitment                               | (201,890)       | -                           | -                 | 201,890                             | -            | -            |
| Administration fee                                | 7,300           | -                           | (7,300)           | -                                   | -            | -            |
| <b>FUND BALANCES</b> , end of year                | \$ (384,944)    | \$ 385,920                  | \$ 3,211,482      | \$ 1,198,803                        | \$ 4,411,261 | \$ 5,190,933 |
| <b>SUBSEQUENT DISTRIBUTION APPROVED BY BOARD:</b> |                 |                             |                   |                                     |              |              |
| Distribution to:                                  |                 |                             |                   |                                     |              |              |
| Future Equipment Reserve                          | \$ (188,323)    | \$ -                        | \$ -              | \$ 188,323                          | \$ -         | \$ -         |
| Call on Funds                                     | 1,090,000       | -                           | (90,000)          | (1,000,000)                         | -            | -            |
| <b>SUBSEQUENT FUND BALANCES</b>                   | \$ 516,733      | \$ 385,920                  | \$ 3,121,482      | \$ 387,126                          | \$ 4,411,261 | \$ 5,190,933 |

The Foundation received a call on funds from the Hospital in March 2014 for \$1,075,566 for current equipment and \$220,762 for Gerontological and Educational Programs. The call on funds was funded by a transfer from the endowment and future equipment reserve fund, a transfer from the Core investments and cash on hand. The current donations to "Equipped to Care Campaign" is held in the General Fund. The Board approved a transfer of \$1,000,000 from the Future Equipment Reserve Fund to kick off the campaign.

The accompanying notes form an integral part of these financial statements.

**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

|  | GENERAL<br>FUND | OVERHEAD<br>RESERVE<br>FUND | ENDOWMENT<br>FUND | FUTURE<br>EQUIPMENT<br>RESERVE FUND | 2014         | 2013         |
|--|-----------------|-----------------------------|-------------------|-------------------------------------|--------------|--------------|
| <b>CASH FLOWS FROM (USED IN)</b>                                     |                 |                             |                   |                                     |              |              |
| <b>Operating activities</b>  |                 |                             |                   |                                     |              |              |
| Excess (deficiency) of revenues over expenses                        | \$ (1,481,963)  | \$ 26,852                   | \$ 633,009        | \$ 42,430                           | \$ (779,672) | \$ 307,656   |
| Adjustments to reconcile to cash provided<br>by operating activities |                 |                             |                   |                                     |              |              |
| Amortization   | -               | -                           | -                 | -                                   | -            | 3,665        |
| Interfund transfers  | (194,590)       | -                           | (7,300)           | 201,890                             | -            | -            |
| Changes in non-cash working capital balances                         |                 |                             |                   |                                     |              |              |
| Accounts receivable, HST receivable                                  | (3,998)         | -                           | -                 | (2)                                 | (4,000)      | 597          |
| Prepaid expenses   | (4,000)         | -                           | -                 | -                                   | (4,000)      | -            |
| Accounts payable and accrued liabilities                             | 846,640         | -                           | -                 | -                                   | 846,640      | 256,080      |
| Deferred revenue   | 16,667          | -                           | -                 | -                                   | 16,667       | 3,333        |
|  | (821,244)       | 26,852                      | 625,709           | 244,318                             | 75,635       | 571,331      |
| <b>INCREASE (DECREASE) IN CASH<br/>AND EQUIVALENTS</b>               | (821,244)       | 26,852                      | 625,709           | 244,318                             | 75,635       | 571,331      |
| <b>CASH AND EQUIVALENTS, beginning of year</b>                       | 1,793,458       | 359,068                     | 2,585,773         | 954,485                             | 5,692,784    | 5,011,453    |
| <b>CASH AND EQUIVALENTS, end of year</b>                             | \$ 972,214      | \$ 385,920                  | \$ 3,211,482      | \$ 1,198,803                        | \$ 5,768,419 | \$ 5,582,784 |
| <b>REPRESENTED BY:</b>   |                 |                             |                   |                                     |              |              |
| Cash   | \$ 81,409       | \$ -                        | \$ -              | \$ -                                | \$ 81,409    | \$ 7,482     |
| Investments  | 890,805         | 385,920                     | 3,211,482         | 1,198,803                           | 5,687,010    | 5,685,302    |
|  | \$ 972,214      | \$ 385,920                  | \$ 3,211,482      | \$ 1,198,803                        | \$ 5,768,419 | \$ 5,692,784 |

The accompanying notes form an integral part of these financial statements.

# NORTHUMBERLAND HILLS HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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### PURPOSE OF THE FOUNDATION

The Northumberland Hills Hospital Foundation ("the Foundation") was incorporated without share capital under the Corporations Act, Ontario and is a charitable organization whose purpose is to raise funds for the Hospital and health care. The mission of the Foundation is to improve health care and the quality of life in our communities by growing and maintaining donor support for key hospital capital needs. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund Accounting;

(i) General Fund

The General Fund represents all ongoing fundraising activities and supports other board approved programs. This fund is also known as the core activities account. The objective of the fund is to distribute up to 80% of the current year's undesignated net operating cash flow. Net operating cash flow represents total fundraising revenues less total administrative and program expenses, less designated gifts, and less 10% of the full amount of unrestricted bequests transferred to the endowment fund. Funds are disbursed upon request from the hospital for approved capital items and/or program expenses.

(ii) Overhead Reserve Fund

The Overhead Reserve Fund relates to an internally restricted fund balance with the objective to maintain a balance equal to the core activities expense budget for the next fiscal year. There are no deposits, withdrawals or transfers from this fund unless authorized by a board resolution.

(iii) Endowment Fund

The Endowment Fund consists of the General and Named Endowments.

The General Endowments are internally restricted and reflects 10% of the amount of general bequests received by the Foundation and unnamed endowments, to be held and invested permanently. Investment income on the General Endowments are accumulated and will be disbursed annually to finance hospital capital requirements as approved by the Foundation Board and in accordance with Canada Revenue Agency requirements.

The Named Endowments reflects externally restricted donation contributions, with a minimum donation amount of \$25,000, the proceeds of which are to be invested and held permanently by the Foundation, and subject to individual endowment agreements entered into by the specific donor and the Foundation. The investment income will be accumulated in the fund. Disbursements of income from the fund shall be in accordance with the terms of the specific endowment and Canada Revenue Agency requirements.

# NORTHUMBERLAND HILLS HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Fund Accounting (Continued);

(iv) Future Equipment Reserve Fund

The fund represents 20% of the annual net operating cash flow plus investment yield. The Foundation began the Equipped to Care Campaign and the Foundation Board committed \$1,000,000 of the fund to the campaign. The objective of the fund is to grow to \$1 million at which time the appropriateness of continuing to build the fund will be reviewed. In addition, this fund will include monies designated for special projects approved by the Foundation Board.

(b) Revenue Recognition;

The Foundation follows the restricted fund method whereby externally restricted contributions (grants and donations) are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the General Fund.

Investment income includes dividend and interest income, realized investment gains and losses on sales of investments, and unrealized gains and losses on investment measured at fair value.

(c) Recognition of Pledges;

Because of the uncertainty surrounding the collectibility of pledges, the organization recognizes only those pledges for which amounts have been received at the date of completion of the financial statements.

(d) Use of Estimates;

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates. The most significant estimates in these financial statements include accounts payable and accrued liabilities.

(e) Contributed Goods and Services;

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements. The value of donated gifts-in-kind have not been reflected in the records as their monetary value cannot be ascertained.

(f) Cash;

The Foundation's policy is to present bank balances and cash on hand under cash.

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# NORTHUMBERLAND HILLS HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments;

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and HST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Foundation's financial assets measured at fair value include investments.

(h) Allocation of Expenses;

The Foundation allocates expenditures to the general fund. Amounts allocated to other funds are specific to the fund account.

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### 2. RELATED PARTY TRANSACTIONS

During the year, the Foundation paid \$316,694 to the Northumberland Hills Hospital for personnel costs and benefits on a cost-recovery basis (2013 - \$272,896).

During the year, the Foundation paid \$6,177 to the Northumberland Hills Hospital for hospital service chargebacks (2013 - \$6,236).

Accounts payable and accrued liabilities includes \$27,399 (2013 - \$20,112) owing to the Northumberland Hills Hospital for personnel costs and benefits and \$1,296,003 (2013 - \$463,685) for donation distribution.

These transactions are in the normal course of operations and are measured at the exchange value which represents the amount of consideration established and agreed to by the parties.

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# NORTHUMBERLAND HILLS HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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### 3. PLEDGES

The Foundation defines a pledge as a commitment in writing with due dates extending beyond 12 months. Pledges receivable are not reflected in the statement of financial position, as they are not considered legal obligations.

The Foundation has pledges receivable of \$2,012,000 for the Equipped to Care Campaign.

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### 4. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure as at March 31, 2014:

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to risk with respect to the fixed term investments and accounts receivable. The credit risk with respect to the fixed term investments is insignificant since they are held in large financial institutions or with Federal, Provincial or Municipal government authorities and are held with staggered maturity dates. The accounts receivable is the harmonized sales tax rebate.

#### *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk, and other price risk. The Foundation's investments have a market risk that could arise from fluctuations in the market price. To manage these risks, the Foundation uses independent investment counsel and has developed an investment policy guideline to reduce risk. The Foundation receives monthly statements, and meets on a quarterly and yearly basis with investment counsel. The Foundation is exposed to currency risk through its investments in U.S. Market-indexed equities. The total investment is approximately 11.59% of the fair market value of the investments which minimizes the exposure to currency risk. The Foundation is not exposed to other price risk.

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**NORTHUMBERLAND HILLS HOSPITAL FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**5. INVESTMENTS**

|   | <b>Cost</b>         | <b>Accumulated<br/>Unrealized<br/>Gain</b> | <b>2014<br/>Carrying<br/>Value</b> | <b>2013<br/>Carrying<br/>Value</b> |
|---|---------------------|--|------------------------------------|------------------------------------|
| <b>Core Activities</b>                    |                     |  |                                    |                                    |
| Cash                                      | \$ 4,870            | \$ -                                       | \$ 4,870                           | \$ 121                             |
| Fixed income and accrued interest         | -                   | -  | -                                  | 318,371                            |
| Mutual funds - high interest savings fund | 885,935             | -  | 885,935                            | 1,467,484                          |
|   | <b>\$ 890,805</b>   | <b>\$ -</b>                                | <b>\$ 890,805</b>                  | <b>\$ 1,785,976</b>                |
| <b>Overhead Reserve</b>                   |                     |  |                                    |                                    |
| Cash                                      | \$ 3,019            | \$ -                                       | \$ 3,019                           | \$ 3,284                           |
| Fixed income and accrued interest         | 243,946             | -  | 243,946                            | 231,949                            |
| Market-indexed equities                   | 111,142             | 27,813                                     | 138,955                            | 123,835                            |
|   | <b>\$ 358,107</b>   | <b>\$ 27,813</b>                           | <b>\$ 385,920</b>                  | <b>\$ 359,068</b>                  |
| <b>Endowments (Named and General)</b>     |                     |  |                                    |                                    |
| Cash                                      | \$ 38,233           | \$ -                                       | \$ 38,233                          | \$ 41,107                          |
| Fixed income and accrued interest         | 1,390,646           | -  | 1,390,646                          | 1,347,567                          |
| Market-indexed equities                   | 998,672             | 191,812                                    | 1,190,484                          | 713,622                            |
| U.S. Market-indexed equities              | 401,951             | 190,168                                    | 592,119                            | 483,477                            |
|   | <b>\$ 2,829,502</b> | <b>\$ 381,980</b>                          | <b>\$ 3,211,482</b>                | <b>\$ 2,585,773</b>                |
| <b>Future Equipment Reserve Fund</b>      |                     |  |                                    |                                    |
| Cash                                      | \$ 6,243            | \$ -                                       | \$ 6,243                           | \$ 5,892                           |
| Fixed income and accrued interest         | 806,159             | -  | 806,159                            | 478,758                            |
| Market-indexed equities                   | 315,152             | 4,089                                      | 319,241                            | 317,672                            |
| U.S. Market-indexed equities              | 39,984              | 27,176                                     | 67,160                             | 51,733                             |
| Mutual funds - high interest savings fund | -                   | -  | -                                  | 100,430                            |
|   | <b>\$ 1,167,538</b> | <b>\$ 31,265</b>                           | <b>\$ 1,198,803</b>                | <b>\$ 954,485</b>                  |
| <b>TOTAL</b>                              | <b>\$ 5,245,952</b> | <b>\$ 441,058</b>                          | <b>\$ 5,687,010</b>                | <b>\$ 5,685,302</b>                |

# NORTHUMBERLAND HILLS HOSPITAL FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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### 5. INVESTMENTS (CONTINUED)

Fixed income and accrued interest is comprised of guaranteed term deposits, government and corporate bonds and bankers acceptance. The guaranteed term deposits are presented at amortized cost and accrued interest, denominated in Canadian dollars with effective interest rates ranging from 1.15% to 10.00% and mature with dates ranging from June 2014 to April 2042.

The mutual funds are invested in the Canadian money market and income trusts. The U.S and market-indexed equities are available for sale and subject to stock market fluctuations. These securities are presented at fair values.

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### 6. COMPARATIVE FIGURES

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

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