

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Financial Statements

Year Ended August 31, 2023

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

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Year Ended August 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Heart and Stroke Foundation of New Brunswick

Qualified Opinion

We have audited the financial statements of Heart and Stroke Foundation of New Brunswick (the "Foundation"), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from campaign receipts, bequests, memoriam donations and fundraising activities, 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 and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Saint John, New Brunswick
December 5, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Financial Position

August 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 3,399,717	\$ 2,034,948
Accounts receivable (Notes 4, 13)	262,727	321,197
Prepaid expenses	37,853	353
	<u>3,700,297</u>	<u>2,356,498</u>
RESTRICTED CASH	93,170	72,454
CAPITAL ASSETS (Notes 5, 11)	119,029	93,701
INVESTMENTS (Note 6)	1,273,062	1,296,279
RESTRICTED INVESTMENTS (Note 6)	1,588,532	1,585,360
	<u>\$ 6,774,090</u>	<u>\$ 5,404,292</u>
LIABILITIES		
CURRENT		
Accounts payable (Notes 7, 13)	\$ 601,186	\$ 326,714
Deferred contributions (Note 9)	1,324,457	1,119,111
Deferred endowment income (Note 10)	30,127	37,296
Current portion of long term debt (Note 11)	7,262	18,896
	<u>1,963,032</u>	<u>1,502,017</u>
LONG TERM DEBT (Note 11)	10,894	43,537
	<u>1,973,926</u>	<u>1,545,554</u>
NET ASSETS		
UNRESTRICTED FUND	3,118,462	2,200,924
N.B. RESEARCH ENDOWMENT (Note 12)	1,681,702	1,657,814
	<u>4,800,164</u>	<u>3,858,738</u>
	<u>\$ 6,774,090</u>	<u>\$ 5,404,292</u>
COMMITMENTS (Note 16)		

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Operations

Year Ended August 31, 2023

	2023	2022
REVENUE		
Bequests and major gifts	\$ 1,617,568	\$ 244,913
Hockey Heroes	919,891	1,277,937
Bingo and other special events	660,049	772,017
Jump Rope for Heart	344,097	278,017
Direct mail (Note 13)	300,496	289,404
Campaign receipts	209,740	224,000
Material sales and other revenue	183,246	237,208
Memoriam donations	178,303	156,031
AED school project funding	121,311	-
Interest	114,691	23,660
Endowment fund (Note 10)	60,000	40,000
Dividends	39,925	21,474
Realized gain on disposal of investments	212	20,011
	<u>4,749,529</u>	<u>3,584,672</u>
EXPENSES		
Health promotion (Notes 13, 15)	1,535,458	1,325,908
Medical research and facilities (Notes 13, 15)	969,311	821,634
Fund development (Notes 13, 15)	943,088	1,056,386
Administration (Notes 13, 15)	314,099	335,857
	<u>3,761,956</u>	<u>3,539,785</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>987,573</u>	<u>44,887</u>
OTHER INCOME (LOSS)		
COVID-19 subsidies	-	26,412
Net unrealized gain (loss)	(70,035)	(54,746)
	<u>(70,035)</u>	<u>(28,334)</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE GOVERNMENT MANAGED PROGRAMS	<u>917,538</u>	<u>16,553</u>
GOVERNMENT MANAGED PROGRAMS (Note 8)		
Live Well: Funding	860,091	871,164
Stroke Navigator: Funding	169,911	105,240
NBATC: Funding	61,963	63,662
NB School Food Program: Funding	-	117,874
NB School Food Program: Health promotion expenses	-	(117,873)
NBATC: Health promotion expenses	(61,963)	(63,662)
LiveWell: Administration expenses	(62,500)	(62,500)
Stroke Navigator: Health promotion expenses	(169,911)	(105,241)
LiveWell: Health promotion expenses	(797,591)	(808,664)
	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 917,538</u>	<u>\$ 16,553</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Changes in Net Assets

Year Ended August 31, 2023

	Unrestricted Fund	N.B. Research Endowment	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 2,200,924	\$ 1,657,814	\$ 3,858,738	\$ 3,837,840
Excess of revenue over expenses	917,538	-	917,538	16,553
Endowment contributions received during the year <i>(Note 12)</i>	-	70,000	70,000	20,000
Restricted investment gain (loss) reinvested in endowment balances, net of transfers <i>(Note 12)</i>	-	(46,112)	(46,112)	(15,655)
NET ASSETS - END OF YEAR	\$ 3,118,462	\$ 1,681,702	\$ 4,800,164	\$ 3,858,738

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Cash Flows

Year Ended August 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 917,538	\$ 16,553
Items not affecting cash:		
Amortization of capital assets	24,273	31,908
Gain on sale of capital assets	(1,291)	-
Gain on disposal of investments	(212)	(20,011)
Net unrealized loss	70,035	54,746
	<u>1,010,343</u>	<u>83,196</u>
Changes in non-cash working capital:		
Accounts receivable	58,470	13,633
Prepaid expenses	(37,500)	12,500
Accounts payable	274,472	(68,563)
Deferred contributions	205,346	(259,137)
Deferred endowment income	(7,169)	30,866
	<u>493,619</u>	<u>(270,701)</u>
	<u>1,503,962</u>	<u>(187,505)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(85,310)	(18,567)
Proceeds on sale of capital assets	37,000	-
Net purchase over proceeds on disposal of investments	(116,606)	(524,844)
	<u>(164,916)</u>	<u>(543,411)</u>
FINANCING ACTIVITIES		
Endowment contributions received	70,000	20,000
Repayment of long term debt	(44,277)	(18,553)
	<u>25,723</u>	<u>1,447</u>
INCREASE (DECREASE) IN CASH	1,364,769	(729,469)
CASH - BEGINNING OF YEAR	2,034,948	2,764,417
CASH - END OF YEAR	\$ 3,399,717	\$ 2,034,948
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 128,607	\$ 34,951
Interest paid	\$ 1,748	\$ 1,290

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

1. PURPOSE OF THE FOUNDATION

The Heart and Stroke Foundation of New Brunswick (the "Foundation") is incorporated without share capital under the laws of the Province of New Brunswick. The Foundation is a health charity whose mission is to improve the health of the residents of New Brunswick by preventing and reducing disability and death from heart disease and stroke through research, health promotion and advocacy.

The Foundation, which is incorporated under the laws of New Brunswick, is registered as a charitable organization under the Income Tax Act of Canada and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPPO").

Cash and Cash Equivalents

The Foundation considers cash on hand, short term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Motor vehicles	25%
Furniture and fixtures	25%
Computer hardware	25%
Computer software	100%

The Foundation regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Investments

Fair values of investments are determined using year end quoted market prices.

The investments of the Foundation are held in the custody of ScotiaMcLeod and consist of liquid fixed income and equity investments.

The Foundation has an investment policy in place to administer the governance of these investments. As at August 31, 2023, the investments were in compliance with the policy.

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HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue Recognition

Heart and Stroke Foundation of New Brunswick follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in restricted net assets.

Restricted endowment investment income is recognized as a direct increase in restricted net assets or recognized as revenue in the year which the related expenses are incurred dependant on the terms of the endowment agreement. Unrestricted investment income is recognized as revenue when earned.

Other revenue is recognized on an accrual basis.

Contributed Services

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the date of the balance sheet. Non-monetary assets and liabilities are translated at the historic rate. Exchange gains and losses are included in the statement of operations, except to the extent that they relate to investments, in which case they are accounted for consistent with investment income (loss).

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in excess of revenue over expenses. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in excess of revenue over expenses in the period in which they become known. Actual results could differ from these estimates.

Examples of significant estimates include:

- the recoverability of tangible assets;
- providing for amortization of capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts; and
- the recoverability of long term investments.

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of August 31, 2023.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from donors and customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Foundation has a significant number of donors and customers which minimizes concentration of credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its donors, customers and other related sources, long term debt, accounts payable and other obligations.

Currency Risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on income from U.S. investments.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk through the fixed income component of its investment portfolio.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investment in quoted shares.

4. ACCOUNTS RECEIVABLE

	2023	2022
Trade	\$ 143,690	\$ 182,345
HST rebate receivable	94,411	49,839
Due from Heart and Stroke Foundation of Canada (Note 13)	24,626	89,013
	<u>\$ 262,727</u>	<u>\$ 321,197</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Motor vehicles	\$ 100,085	\$ 27,226	\$ 72,859	\$ 60,934
Furniture and fixtures	64,957	39,068	25,889	18,997
Computer hardware	81,164	60,883	20,281	13,770
Computer software	23,126	23,126	-	-
	<u>\$ 269,332</u>	<u>\$ 150,303</u>	<u>\$ 119,029</u>	<u>\$ 93,701</u>

6. INVESTMENTS

	2023	2022
Unrestricted		
Fixed income (Market Value \$614,319; 2022 - \$589,804)	\$ 606,514	\$ 584,364
Canadian equity (Market Value \$606,912; 2022 - \$652,940)	598,814	575,542
U.S. equity (Market Value \$51,831; 2022 - \$53,535)	31,936	30,540
	<u>1,237,264</u>	<u>1,190,446</u>
Net unrealized gains	35,798	105,833
	<u>1,273,062</u>	<u>1,296,279</u>
Restricted		
Fixed income (Market Value \$741,765; 2022 - \$771,429)	730,363	763,106
Canadian equity (Market Value \$846,767; 2022 - \$813,931)	727,831	645,804
	<u>1,458,194</u>	<u>1,408,910</u>
Net unrealized gains	130,338	176,450
	<u>1,588,532</u>	<u>1,585,360</u>
	<u>\$ 2,861,594</u>	<u>\$ 2,881,639</u>

7. ACCOUNTS PAYABLE

	2023	2022
Due to Heart and Stroke Foundation of Canada (Note 13)	\$ 392,212	\$ 205,678
Trade and accrued liabilities	114,147	61,236
Wages and fringe benefits	94,827	59,800
	<u>\$ 601,186</u>	<u>\$ 326,714</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

8. GOVERNMENT MANAGED PROGRAMS

During the 2019 fiscal year, the Foundation began managing a provincial government program called "Live Well/Bien Vivre". The provincial government provides the Foundation with funding restricted for the health promotion and administrative expenses related to the program. The program is funded until March 2025.

During the 2021 fiscal year, the Foundation began managing a provincial government program called "Stroke Navigation in New Brunswick". The provincial government provides the Foundation with funding restricted for the health promotion expenses related to the program. The program is funded until March 2024.

During the 2021 fiscal year, the Foundation began managing a provincial government program representing the New Brunswick Anti-Tobacco Coalition (NBATC). The provincial government provides the Foundation with funding restricted for the health promotion expenses related to the program. The program is funded until December 2023.

During the 2022 fiscal year, the Foundation began managing a provincial government program called "The New Brunswick School Food Program". The provincial government provides the Foundation with funding restricted for the health promotion and administrative expenses related to the program. The program was funded until June 2022 and was not renewed after that date.

9. DEFERRED CONTRIBUTIONS

The deferred contributions balance consists of funds received for projects that take place in future periods. These contributions are deferred and recognized in the same period or periods as the related expenses are recognized.

	<u>2023</u>	<u>2022</u>
LiveWell program	\$ 880,788	\$ 898,076
Stroke Navigator program	196,390	116,300
NBATC program	96,351	88,315
Stroke Awareness campaign	70,000	-
AED School program	53,689	-
Community Services Recovery Fund	27,239	-
Heart Truth program	-	16,420
	<u>\$ 1,324,457</u>	<u>\$ 1,119,111</u>

10. DEFERRED ENDOWMENT INCOME

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 37,296	\$ 6,430
Restricted investment income (loss) earned during the year	6,719	55,211
	<u>44,015</u>	61,641
Restricted investment income funding expenditures during the year	(60,000)	(40,000)
Restricted investment (income) loss reinvested in endowment balances (Note 12)	46,112	15,655
	<u>\$ 30,127</u>	<u>\$ 37,296</u>

The investment income (loss) balance of \$6,719 (2022 - \$55,211) is comprised of interest income of \$13,916 (2022 - \$11,125), dividend income of \$38,881 (2022 - \$31,979), realized gain on disposal of investments of \$34 (2022 - \$53,074) and net unrealized loss of \$46,112 (2022 - loss of \$40,967).

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

11. LONG TERM DEBT

	<u>2023</u>	<u>2022</u>
Volkswagen Finance loan bearing interest at 2.99% per annum, repayable in monthly blended payments of \$1,048. The vehicle was traded in April 2023 for \$37,000.	\$ -	\$ 37,015
Volkswagen Finance non-interest bearing loan, repayable in monthly payments of \$605. The loan matures on February 1, 2026 and is secured by a 2020 Volkswagen Tiguan with a net book value of \$18,919 (2022 - \$25,225).	<u>18,156</u>	<u>25,418</u>
	18,156	62,433
Amounts payable within one year	<u>(7,262)</u>	<u>(18,896)</u>
	<u>\$ 10,894</u>	<u>\$ 43,537</u>

Principal repayment terms are approximately:

2024	\$ 7,262
2025	7,262
2026	<u>3,632</u>
	<u>\$ 18,156</u>

12. N.B. RESEARCH ENDOWMENT

Funds are restricted as endowments where the capital balances are held in perpetuity and the income from the funds are to be utilized for the purpose of funding research expenditures.

	<u>2022</u>	Investment loss reinvested	<u>Contributions</u>	<u>2023</u>
New Brunswick Cardiovascular Research Endowment Fund	\$ 1,103,415	\$ (20,365)	\$ 70,000	\$ 1,153,050
Travis Mersereau Endowment Fund	486,732	(22,604)	-	464,128
Diamond Const. Endowment Fund	67,020	(3,113)	-	63,907
Mona F. Johnson Memorial Fund	647	(30)	-	617
	<u>\$ 1,657,814</u>	<u>\$ (46,112)</u>	<u>\$ 70,000</u>	<u>\$ 1,681,702</u>

13. RELATED PARTY TRANSACTIONS

All of the provincial Heart and Stroke Foundations, with the exception of the Foundation, opted to dissolve and form one national organization on September 1, 2011. The Foundation has agreed to affiliate with the national organization, the Heart and Stroke Foundation of Canada ("HSFC"). The Foundation remains a separate legal entity under the direction of a volunteer Board and will maintain a strong line with the HSFC.

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HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2023

13. RELATED PARTY TRANSACTIONS (continued)

Revenue and expenses include amounts received from and paid to related parties. Accounts receivable and accounts payable include amounts due from and due to related parties. These transactions were incurred in the normal course of business and are measured at the exchange amount, which is the amount agreed upon by the related parties.

The Foundation received revenues of \$340,338 (2022 - \$336,153) from HSFC during the year for shared fundraising initiatives. In addition, \$735,833 (2022 - \$729,964) was paid to HSFC in affiliation fees, pension payments and project costs. These transactions are carried in the ordinary course of business and are measured at the exchange amount.

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

14. PENSION PLAN

Employees of the Foundation are members of a multi-employer defined contribution pension plan (the "Plan"). The Plan is registered in the name of Heart and Stroke Foundation of Canada. Contributions to the Plan are required from the employees and the Foundation. The annual contributions for the Plan are recognized as an expense when incurred and amounted to \$89,889 (2022 - \$76,225) during the year.

15. EXPENSES

Expenses are allocated in accordance with the guidelines of the Heart and Stroke Foundation of Canada. Expenses directly related to an activity are charged to that activity and all other expenses are allocated as follows:

	Medical research and facilities	Health promotion	Fund development	Administration
Direct mail expense	0%	50%	50%	0%
Jump Rope for Heart materials	0%	87.5%	12.5%	0%
Materials	0%	100%	0%	0%
Office expenses	25%	25%	25%	25%
Rent	15%	60%	15%	10%
Travel	14%	36%	44%	6%
Vehicle	40%	40%	10%	10%
Wages and benefits	18%	45%	35%	2%

16. COMMITMENTS

The Foundation has long term leases with respect to its premises and office equipment. The minimum annual lease payments over the next four years are as follows:

2024	\$ 113,370
2025	97,663
2026	84,562
2027	21,140