

**HEART AND STROKE FOUNDATION OF NEW BRUNSWICK**

**Financial Statements**

**Year Ended August 31, 2024**

# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Index to Financial Statements

Year Ended August 31, 2024

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## INDEPENDENT AUDITORS' REPORT

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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, 2024, 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, 2024, 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 ASNPO, 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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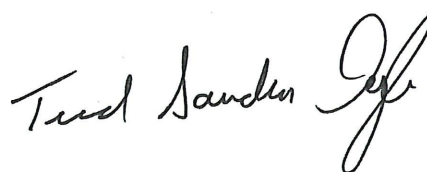
*Auditors' Responsibilities for the Audit of the Financial Statements*

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 auditor's 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 auditor's 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 auditor's 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 11, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS



# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK



## Statement of Financial Position

August 31, 2024

	2024	2023 (Restated)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 4,098,443	\$ 3,399,717
Accounts receivable (Notes 4, 13)	304,411	262,727
Prepaid expenses	353	37,853
	<u>4,403,207</u>	<u>3,700,297</u>
<b>RESTRICTED CASH</b>	219,453	93,170
<b>CAPITAL ASSETS (Notes 5, 11)</b>	97,348	119,029
<b>INVESTMENTS (Note 6)</b>	1,423,314	1,273,062
<b>RESTRICTED INVESTMENTS (Note 6)</b>	<u>1,598,658</u>	<u>1,588,532</u>
	<u>\$ 7,741,980</u>	<u>\$ 6,774,090</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Notes 7, 13)	\$ 777,663	\$ 755,618
Deferred contributions (Note 9)	1,995,805	1,324,457
Deferred endowment income (Note 10)	49,819	30,127
Current portion of long term debt (Note 11)	<u>7,262</u>	<u>7,262</u>
	<u>2,830,549</u>	<u>2,117,464</u>
<b>LONG TERM DEBT (Note 11)</b>	<u>3,632</u>	<u>10,894</u>
	<u>2,834,181</u>	<u>2,128,358</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED FUND</b>	3,089,688	2,964,030
<b>N.B. RESEARCH ENDOWMENT (Note 12)</b>	<u>1,818,111</u>	<u>1,681,702</u>
	<u>4,907,799</u>	<u>4,645,732</u>
	<u>\$ 7,741,980</u>	<u>\$ 6,774,090</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, 2024

	2024	2023 (Restated)
<b>REVENUE</b>		
Hockey Heroes	\$ 1,206,469	\$ 919,891
Bingo and other special events	663,083	660,049
Bequests and major gifts	424,389	1,617,568
Jump Rope for Heart	376,030	344,097
Direct mail (Note 13)	348,094	300,496
Material sales and other revenue	265,160	183,246
Interest	172,702	114,691
Memoriam donations	123,688	178,303
Campaign receipts	99,737	209,740
AED school project funding	53,689	121,311
Dividends	49,509	39,925
Special projects	44,219	-
Endowment fund (Note 10)	40,000	60,000
Realized gain (loss) on disposal of investments	(348)	212
	<u>3,866,421</u>	<u>4,749,529</u>
<b>EXPENSES</b>		
Health promotion (Notes 13, 15)	1,671,777	1,535,458
Fund development (Notes 13, 15)	1,025,865	943,088
Medical research (Notes 13, 15)	847,462	969,311
Administration (Notes 13, 15)	305,568	314,099
	<u>3,850,672</u>	<u>3,761,956</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<u>15,749</u>	<u>987,573</u>
<b>NET UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	<u>109,909</u>	<u>(70,035)</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE GOVERNMENT MANAGED PROGRAMS</b>	<u>125,658</u>	<u>917,538</u>
<b>GOVERNMENT MANAGED PROGRAMS (Note 8)</b>		
Live Well: Funding	937,324	860,091
Stroke Navigator: Funding	202,612	169,911
AED Subsidy and Awareness Campaign: Funding	145,342	-
SVFNB: Funding	64,450	61,963
AED Subsidy and Awareness Campaign: Administration expenses	(23,500)	-
LiveWell: Administration expenses	(62,500)	(62,500)
SVFNB: Health promotion expenses	(64,450)	(61,963)
AED Subsidy and Awareness Campaign: Health promotion expenses	(121,842)	-
Stroke Navigator: Health promotion expenses	(202,612)	(169,911)
LiveWell: Health promotion expenses	(874,824)	(797,591)
	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 125,658</u>	<u>\$ 917,538</u>

# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Statement of Changes in Net Assets

Year Ended August 31, 2024

	Unrestricted Fund	N.B. Research Endowment	2024	2023 (Restated)
<b>NET ASSETS - BEGINNING OF YEAR</b>				
As previously reported	\$ 3,118,462	\$ 1,681,702	\$ 4,800,164	\$ 3,858,738
Prior period adjustment (Note 17)	(154,432)	-	(154,432)	(154,432)
As restated	2,964,030	1,681,702	4,645,732	3,704,306
Excess of revenue over expenses	125,658	-	125,658	917,538
Endowment contributions received during the year (Note 12)	-	-	-	70,000
Restricted investment gain (loss) reinvested in endowment, net of transfers (Note 12)	-	136,409	136,409	(46,112)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,089,688</b>	<b>\$ 1,818,111</b>	<b>\$ 4,907,799</b>	<b>\$ 4,645,732</b>

# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Statement of Cash Flows Year Ended August 31, 2024

	2024	2023 (Restated)
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 125,658	\$ 917,538
Items not affecting cash:		
Amortization of capital assets	29,499	24,273
Gain on sale of capital assets	-	(1,291)
Loss (gain) on disposal of investments	348	(212)
Net unrealized loss (gain) on investments	(109,909)	70,035
	<u>45,596</u>	<u>1,010,343</u>
Changes in non-cash working capital:		
Accounts receivable	(41,684)	58,470
Prepaid expenses	37,500	(37,500)
Accounts payable	22,045	274,472
Deferred contributions	671,348	205,346
Deferred endowment income	19,692	(7,169)
	<u>708,901</u>	<u>493,619</u>
	<u>754,497</u>	<u>1,503,962</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(7,818)	(85,310)
Proceeds on sale of capital assets	-	37,000
Net purchase over proceeds on disposal of investments	(40,691)	(116,606)
	<u>(48,509)</u>	<u>(164,916)</u>
<b>FINANCING ACTIVITIES</b>		
Endowment contributions received	-	70,000
Repayment of long term debt	(7,262)	(44,277)
	<u>(7,262)</u>	<u>25,723</u>
<b>INCREASE IN CASH</b>	<u>698,726</u>	<u>1,364,769</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>3,399,717</u>	<u>2,034,948</u>
<b>CASH - END OF YEAR</b>	<u>\$ 4,098,443</u>	<u>\$ 3,399,717</u>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 191,818	\$ 128,607
Interest paid	\$ -	\$ 1,748



# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended August 31, 2024

### 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 ("ASNPO").

#### 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, 2024, 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, 2024

### 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, 2024

### 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, 2024.

#### 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

	2024	2023
Trade	\$ 122,043	\$ 143,690
Due from Heart and Stroke Foundation of Canada (Note 13)	118,670	24,626
HST rebate receivable	63,698	94,411
	<u>\$ 304,411</u>	<u>\$ 262,727</u>



# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended August 31, 2024

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Motor vehicles	\$ 100,085	\$ 45,441	\$ 54,644	\$ 72,859
Furniture and fixtures	68,018	45,062	22,956	25,889
Computer hardware	85,921	66,173	19,748	20,281
Computer software	23,126	23,126	-	-
	<u>\$ 277,150</u>	<u>\$ 179,802</u>	<u>\$ 97,348</u>	<u>\$ 119,029</u>

### 6. INVESTMENTS

	2024	2023
<b>Unrestricted</b>		
Fixed income (Market Value \$626,541; 2023 - \$614,319)	\$ 615,588	\$ 606,514
Canadian equity (Market Value \$724,584; 2023 - \$606,912)	626,183	598,814
U.S. equity (Market Value \$72,189; 2023 - \$51,831)	35,836	31,936
	<u>1,277,607</u>	<u>1,237,264</u>
Net unrealized gains	145,707	35,798
	<u>1,423,314</u>	<u>1,273,062</u>
<b>Restricted</b>		
Fixed income (Market Value \$592,035; 2023 - \$741,765)	579,197	730,363
Canadian equity (Market Value \$1,006,623; 2023 - \$846,767)	760,221	727,831
	<u>1,339,418</u>	<u>1,458,194</u>
Net unrealized gains	259,240	130,338
	<u>1,598,658</u>	<u>1,588,532</u>
	<u>\$ 3,021,972</u>	<u>\$ 2,861,594</u>

### 7. ACCOUNTS PAYABLE

	2024	2023
Due to Heart and Stroke Foundation of Canada (Note 13)	\$ 484,782	\$ 392,212
Wages and employment benefits	222,245	249,259
Trade and accrued liabilities	70,636	114,147
	<u>\$ 777,663</u>	<u>\$ 755,618</u>



# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended August 31, 2024

### 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 2027.

During the 2021 fiscal year, the Foundation began managing a provincial government program representing Smoke and Vape-Free NB (SVFNB). The provincial government provides the Foundation with funding restricted for the health promotion expenses related to the program. The program is funded until December 2024.

During the 2024 fiscal year, the Foundation began managing a provincial government program called AED Subsidy and Awareness Campaign. The provincial government provides the Foundation with funding restricted for the health promotion expenses related to the program. The program is funded until March 2027.

### 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.

	2024	2023
AED Subsidy and Awareness Campaign program	\$ 804,658	\$ -
LiveWell program	786,267	880,788
Stroke Navigator program	243,778	196,390
SVFNB program	101,901	96,351
Heart Symposium	45,000	-
Stroke Awareness campaign	14,201	70,000
AED School program	-	53,689
Community Services Recovery Fund	-	27,239
	<u>\$ 1,995,805</u>	<u>\$ 1,324,457</u>

### 10. DEFERRED ENDOWMENT INCOME

	2024	2023
Opening balance	\$ 30,127	\$ 37,296
Restricted investment income (loss) earned during the year	<u>196,101</u>	<u>6,719</u>
	226,228	44,015
Restricted investment income funding expenditures during the year	(40,000)	(60,000)
Restricted investment (income) loss reinvested in endowment balances (Note 12)	<u>(136,409)</u>	<u>46,112</u>
Ending balance	<u>\$ 49,819</u>	<u>\$ 30,127</u>

The investment income (loss) balance of \$196,101 (2023 - \$6,719) is comprised of interest income of \$19,116 (2023 - \$13,916), dividend income of \$48,083 (2023 - \$38,881), no realized gain on disposal of investments (2023 - \$34) and net unrealized gain of \$128,902 (2023 - loss of \$46,112).

# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended August 31, 2024

### 11. LONG TERM DEBT

	2024	2023
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 \$14,189 (2023 - \$18,919).	\$ 10,894	\$ 18,156
Amounts payable within one year	(7,262)	(7,262)
	<u>\$ 3,632</u>	<u>\$ 10,894</u>

Principal repayment terms are approximately:

2025	\$ 7,262
2026	3,632
	<u>\$ 10,894</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.

	2023	Investment income reinvested	Contributions	2024
New Brunswick Cardiovascular Research Endowment Fund	\$ 1,153,050	\$ 88,381	\$ -	\$ 1,241,431
Travis Mersereau Endowment Fund	464,128	43,082	-	507,210
Diamond Const. Endowment Fund	63,907	4,899	-	68,806
Mona F. Johnson Memorial Fund	617	47	-	664
	<u>\$ 1,681,702</u>	<u>\$ 136,409</u>	<u>\$ -</u>	<u>\$ 1,818,111</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.

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 \$352,234 (2023 - \$340,338) from HSFC during the year for shared fundraising initiatives. In addition, \$876,164 (2023 - \$735,833) was paid to HSFC in affiliation fees, pension payments and project costs.

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# HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

## Notes to Financial Statements

Year Ended August 31, 2024

### 13. RELATED PARTY TRANSACTIONS *(continued)*

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 \$141,636 (2023 - \$89,889) 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	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 three years are as follows:

2025	\$	129,554
2026		113,694
2027		32,034

### 17. PRIOR PERIOD ADJUSTMENT

During the year, it was noted that the payable related to unused vacation earned by employees was not recorded in the previous years. The impact of this correction was to reduce 2023 opening unrestricted net assets by \$154,432.