

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Financial Statements

Year Ended August 31, 2021

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

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Year Ended August 31, 2021

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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, 2021, 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, 2021, 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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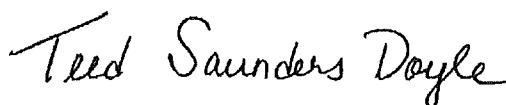
Auditors' Responsibilities for the Audit of the Financial Statements

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 7, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

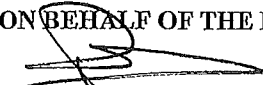

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Financial Position

August 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,764,417	\$ 1,949,187
Accounts receivable <i>(Notes 4, 13)</i>	334,830	576,986
Prepaid expenses	12,853	70,353
	3,112,100	2,596,526
RESTRICTED CASH	57,223	326,681
CAPITAL ASSETS <i>(Notes 5, 11)</i>	107,042	65,549
INVESTMENTS <i>(Note 6)</i>	826,161	675,862
RESTRICTED INVESTMENTS <i>(Note 6)</i>	1,596,248	1,006,202
	\$ 5,698,774	\$ 4,670,820
LIABILITIES		
CURRENT		
Accounts payable <i>(Notes 7, 13)</i>	\$ 395,270	\$ 237,271
Deferred contributions <i>(Note 9)</i>	1,378,248	1,589,940
Deferred endowment income <i>(Note 10)</i>	6,430	2,915
Current portion of long term debt <i>(Note 11)</i>	18,553	16,503
	1,798,501	1,846,629
LONG TERM DEBT <i>(Note 11)</i>	62,433	24,199
	1,860,934	1,870,828
NET ASSETS		
Unrestricted fund	2,184,371	1,467,109
N.B. Research Endowment <i>(Note 12)</i>	1,653,469	1,332,883
	3,837,840	2,799,992
	\$ 5,698,774	\$ 4,670,820
COMMITMENTS <i>(Note 17)</i>		

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Operations

Year Ended August 31, 2021

	2021	2020
REVENUE (Note 13)		
Bingo and other special events	\$ 433,826	\$ 51,587
Direct mail	343,502	351,022
Hockey Heroes	343,047	229,648
Jump Rope for Heart	308,421	30,371
Bequests and major gifts	197,733	538,287
Material sales and other revenue	187,989	85,138
Campaign receipts	154,031	236,612
Memoriam donations	134,516	155,555
Big Bike	55,031	221,160
Endowment fund (Note 10)	40,000	40,000
Realized gain on disposal of investments	39,511	48,547
Dividends	19,971	26,986
Interest	13,928	12,037
	<u>2,271,506</u>	<u>2,026,950</u>
EXPENSES		
Health promotion (Notes 13, 15)	843,320	815,312
Fund development (Notes 13, 15)	732,596	605,283
Medical research and facilities (Notes 13, 15)	583,688	552,098
Administration (Notes 13, 15)	188,226	181,252
	<u>2,347,830</u>	<u>2,153,945</u>
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>(76,324)</u>	<u>(126,995)</u>
OTHER INCOME (LOSS)		
COVID-19 subsidies (Note 16)	707,568	468,852
Net unrealized gain (loss)	86,018	(45,042)
	<u>793,586</u>	<u>423,810</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE GOVERNMENT MANAGED PROGRAMS	<u>717,262</u>	<u>296,815</u>
GOVERNMENT MANAGED PROGRAMS (Note 8)		
Live Well: Funding	1,015,177	813,305
NB School Food Program: Funding	283,126	-
Stroke Navigator: Funding	164,818	102,642
NBATC: Funding	22,542	-
NBATC: Health promotion expenses	(22,542)	-
NB School Food Program: Administration expenses	(30,000)	-
LiveWell: Administration expenses	(92,067)	(62,567)
Stroke Navigator: Health promotion expenses	(164,818)	(102,642)
NB School Food Program: Health promotion expenses	(253,126)	-
LiveWell: Health promotion expenses	(923,110)	(750,738)
	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 717,262</u>	<u>\$ 296,815</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Changes in Net Assets

Year Ended August 31, 2021

	Unrestricted Fund	N.B. Research Endowment	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 1,467,109	\$ 1,332,883	\$ 2,799,992	\$ 2,316,556
Excess of revenue over expenses	717,262	-	717,262	296,815
Endowment contributions received during the year <i>(Note 12)</i>	-	145,000	145,000	245,000
Restricted investment gain (loss) reinvested in endowment balances, net of transfers <i>(Note 12)</i>	-	175,586	175,586	(58,379)
NET ASSETS - END OF YEAR	\$ 2,184,371	\$ 1,653,469	\$ 3,837,840	\$ 2,799,992

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Cash Flows

Year Ended August 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 717,262	\$ 296,815
Items not affecting cash:		
Amortization of capital assets	25,604	21,033
Gain on disposal of investments	(39,511)	(48,547)
Net unrealized (gain) loss	(86,018)	45,042
Loss on sale of capital assets	35,166	-
	<u>652,503</u>	<u>314,343</u>
Changes in non-cash working capital:		
Accounts receivable	242,156	(68,899)
Prepaid expenses	57,500	(70,000)
Accounts payable	157,999	(323,053)
Deferred contributions	(211,692)	1,556,940
Deferred endowment income	3,515	2,915
	<u>249,478</u>	<u>1,097,903</u>
	<u>901,981</u>	<u>1,412,246</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(102,263)	(10,774)
Net purchase over proceeds on disposal of investments	(169,772)	(266,405)
	<u>(272,035)</u>	<u>(277,179)</u>
FINANCING ACTIVITIES		
Endowment contributions received	145,000	245,000
Repayment of long term debt	(54,392)	(15,930)
Proceeds from long term debt	94,676	-
	<u>185,284</u>	<u>229,070</u>
INCREASE IN CASH	815,230	1,364,137
CASH - BEGINNING OF YEAR	1,949,187	585,050
CASH - END OF YEAR	\$ 2,764,417	\$ 1,949,187
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 25,801	\$ 22,958
Interest paid	\$ 1,749	\$ 1,748

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

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 ("ASNFP").

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, 2021, 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, 2021

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, 2021

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, 2021.

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

	2021	2020
COVID-19 subsidies receivable	\$ 157,881	\$ 334,601
Trade	46,415	135,743
Due from Heart and Stroke Foundation of Canada (<i>Note 13</i>)	106,721	58,116
HST rebate receivable	23,813	48,526
	<u>\$ 334,830</u>	<u>\$ 576,986</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Motor vehicles	\$ 92,853	\$ 11,607	\$ 81,246	\$ 38,692
Furniture and fixtures	42,448	27,351	15,097	17,225
Computer hardware	61,442	52,878	8,564	9,632
Computer software	23,126	20,991	2,135	-
	<u>\$ 219,869</u>	<u>\$ 112,827</u>	<u>\$ 107,042</u>	<u>\$ 65,549</u>

6. INVESTMENTS

	2021	2020
Unrestricted		
Fixed income (Market Value \$361,696; 2020 - \$292,292)	\$ 358,832	\$ 288,207
Canadian equity (Market Value \$414,709; 2020 - \$344,592)	277,492	284,902
U.S. equity (Market Value \$49,757; 2020 - \$38,978)	29,258	28,192
	<u>665,582</u>	<u>601,301</u>
Net unrealized gains	160,579	74,561
	<u>826,161</u>	<u>675,862</u>
Restricted		
Fixed income (Market Value \$671,159; 2020 - \$477,057)	664,450	470,248
Canadian equity (Market Value \$925,090; 2020 - \$529,145)	714,381	489,758
	<u>1,378,831</u>	<u>960,006</u>
Net unrealized gains	217,417	46,196
	<u>1,596,248</u>	<u>1,006,202</u>
	<u>\$ 2,422,409</u>	<u>\$ 1,682,064</u>

7. ACCOUNTS PAYABLE

	2021	2020
Trade and accrued liabilities	\$ 86,069	\$ 152,226
Wages and fringe benefits	64,894	51,402
Due to Heart and Stroke Foundation of Canada (Note 13)	244,307	33,643
	<u>\$ 395,270</u>	<u>\$ 237,271</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

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 prior year, the Foundation began managing an additional 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 October 2021.

During the year, the Foundation began managing an additional 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 March 2022.

During the year, the Foundation began managing an additional 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 2021.

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>2021</u>	<u>2020</u>
LiveWell program	\$ 926,437	\$ 1,098,812
Stroke Navigator program	221,541	386,358
NB School Food program	116,874	-
NBATC program	81,976	104,770
Heart Truth program	31,420	-
	<u>\$ 1,378,248</u>	<u>\$ 1,589,940</u>

10. DEFERRED ENDOWMENT INCOME

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 2,915	\$ -
Restricted investment income (loss) earned during the year	219,101	(15,464)
	<u>222,016</u>	<u>(15,464)</u>
Restricted investment income funding expenditures during the year	(40,000)	(40,000)
Restricted investment (income) loss reinvested in endowment balances (<i>Note 12</i>)	(175,586)	58,379
	<u>(175,586)</u>	<u>58,379</u>
Ending balance	<u>\$ 6,430</u>	<u>\$ 2,915</u>

The investment income (loss) balance of \$219,101 (2020 - (\$15,464)) is comprised of interest income of \$11,873 (2020 - \$10,921), dividend income of \$24,700 (2020 - \$24,782), realized gain on disposal of investments of \$11,307 (2020 - \$11,391) and net unrealized gain (loss) of \$171,221 (2020 - (\$62,558)).

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

11. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Honda Financial Services loan bearing interest at 3.99% per annum, repayable in biweekly blended payments of \$381. The loan was repaid in October 2020.	\$ -	\$ 23,202
Honda Financial Services loan bearing interest at 2.99% per annum, repayable in monthly blended payments of \$648. The loan was repaid in March 2021.	-	17,500
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 \$33,634.	32,680	-
Volkswagen Finance loan bearing interest at 2.99% per annum, repayable in monthly blended payments of \$1,048. The loan matures on September 23, 2025 and is secured by a 2021 Volkswagen Atlas with a net book value of \$47,612.	48,306	-
	<u>80,986</u>	40,702
Amounts payable within one year	<u>(18,553)</u>	<u>(16,503)</u>
	<u>\$ 62,433</u>	<u>\$ 24,199</u>

Principal repayment terms are approximately:

2022	\$ 18,553
2023	18,896
2024	19,247
2025	19,611
2026	4,679
	<u>\$ 80,986</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>2020</u>	Investment income reinvested	Contributions	<u>2021</u>
Travis Mersereau Endowment Fund	\$ 432,861	\$ 57,675	\$ -	\$ 490,536
New Brunswick Cardiovascular Research Endowment Fund	835,972	110,023	145,000	1,090,995
Diamond Const. Endowment Fund	63,437	7,812	-	71,249
Mona F. Johnson Memorial Fund	613	76	-	689
	<u>\$ 1,332,883</u>	<u>\$ 175,586</u>	<u>\$ 145,000</u>	<u>\$ 1,653,469</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

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 \$384,570 (2020 - \$437,738) from HSFC during the year for shared fundraising initiatives. In addition, \$632,210 (2020 - \$743,182) 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 \$63,690 (2020 - \$66,411) 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	Fundraising costs	Administration
Direct mail expense	0.0%	50.0%	50.0%	0.0%
Jump Rope for Heart materials	0.0%	87.5%	12.5%	0.0%
Materials	0.0%	25.0%	65.0%	10.0%
Office expenses	25.0%	25.0%	25.0%	25.0%
Rent	21.0%	37.0%	33.0%	9.0%
Travel	0.0%	30.0%	70.0%	0.0%
Vehicle	40.0%	40.0%	10.0%	10.0%
Wages and benefits	18.0%	45.0%	35.0%	2.0%

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2021

16. COVID-19

COVID-19 has had and will continue to have an impact on the financial results, operations and cash flows of the Foundation. This has specifically impacted the Foundation's revenue from donations and fundraising. As a result of the decrease in those revenue sources, the Foundation qualified for the Canada Emergency Wage Subsidy and the Canada Emergency Rent Subsidy under Canada's COVID-19 Economic Response Plan. The total amount of funding under the wage subsidy program in the year was \$665,535 (2020 - \$468,852). The total amount of funding under the rent subsidy program in the year was \$42,033 (2020 - \$nil).

17. COMMITMENTS

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

2022	\$	116,987
2023		107,772
2024		87,835
2025		74,601
2026		73,862