

Financial Statements

Hypertension Canada

April 30, 2025

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Independent Auditor's Report

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To the Board of Directors of
Hypertension Canada

Opinion

We have audited the financial statements of Hypertension Canada, which comprise the statement of financial position as at April 30, 2025, and the statements of operations, changes in net assets and cash flows for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hypertension Canada as at April 30, 2025, 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 (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the 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 opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

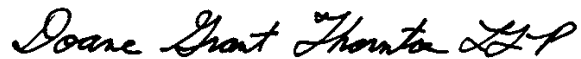
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Organization'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 Organization'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 Organization 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.



Markham, Canada
September 12, 2025

Chartered Professional Accountants
Licensed Public Accountants

Hypertension Canada

Statement of Operations

Year ended April 30

	Unrestricted	Externally restricted	Total 2025	Total 2024
Revenue				
Program revenue:				
Device				
endorsement	\$ 279,879	\$ -	\$ 279,879	\$ 310,400
Investment income	84,750	58,328	143,078	86,929
Membership dues	37,425	-	37,425	18,325
Program revenue:				
Certification	33,402	-	33,402	34,625
Registration and other	6,866	-	6,866	20,560
Donations	2,491	-	2,491	2,278
Grants and sponsorships	-	-	-	21,500
	<u>444,813</u>	<u>58,328</u>	<u>503,141</u>	<u>494,617</u>
Expenses				
Management fee	217,382	-	217,382	215,728
Office and general	66,270	-	66,270	57,904
Program				
development costs	35,662	-	35,662	28,015
Investment				
management fees	20,570	14,454	35,024	32,018
Website and translation	32,012	-	32,012	32,205
Publications and				
printing	6,092	-	6,092	9,632
Conferences	3,324	-	3,324	312,001
	<u>381,312</u>	<u>14,454</u>	<u>395,766</u>	<u>687,503</u>
Excess (deficiency) of revenue over expenses before undernoted item	63,501	43,874	107,375	(192,886)
Unrealized gain in market value of investments	<u>113,626</u>	<u>81,066</u>	<u>194,692</u>	<u>168,108</u>
Excess (deficiency) of revenue over expenses	<u>\$ 177,127</u>	<u>\$ 124,940</u>	<u>\$ 302,067</u>	<u>\$ (24,778)</u>

See accompanying notes to the financial statements.

Hypertension Canada

Statement of Changes in Net Assets

Year ended April 30

	Unrestricted	Internally restricted	Internally restricted endowment	Externally restricted	Total 2025	Total 2024
Balance, beginning of year	\$ 405,990	\$ 582,286	\$ 1,000,000	\$ 1,078,970	\$ 3,067,246	\$ 3,092,024
Excess (deficiency) of revenue over expenses	177,127	-	-	124,940	302,067	(24,778)
Fund transfers						
Internally restricted allocation of revenue and expenses	<u>(157,283)</u>	<u>157,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 425,834</u>	<u>\$ 739,569</u>	<u>\$ 1,000,000</u>	<u>\$ 1,203,910</u>	<u>\$ 3,369,313</u>	<u>\$ 3,067,246</u>

See accompanying notes to the financial statements.

Hypertension Canada

Statement of Financial Position

April 30

2025

2024

Assets

Current

Cash	\$ 29,197	119,956
Accounts receivable	133,335	108,432
Prepaid expenses	<u>13,222</u>	<u>21,011</u>
	175,754	249,399

Investments (Note 3)	<u>3,243,580</u>	<u>2,940,834</u>
	<u>\$ 3,419,334</u>	<u>3,190,233</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 32,658	119,337
Deferred revenue (Note 4)	<u>17,363</u>	<u>3,650</u>
	<u>50,021</u>	<u>122,987</u>

Net assets (Note 5)

Unrestricted	425,834	405,990
Internally restricted	739,569	582,286
Internally restricted endowment	1,000,000	1,000,000
Externally restricted	<u>1,203,910</u>	<u>1,078,970</u>
	<u>3,369,313</u>	<u>3,067,246</u>
	<u>\$ 3,419,334</u>	<u>\$ 3,190,233</u>

Commitment (Note 7)

On behalf of the Board of Directors

Director

Director

Hypertension Canada

Statement of Cash Flows

Year ended April 30

2025

2024

Increase (decrease) in cash

Operating

Excess (deficiency) of revenue over expenses	\$ 302,067	\$ (24,778)
Item not involving cash		
Unrealized gain on investments	<u>(194,692)</u>	<u>(168,108)</u>
	107,375	(192,886)

Net change in non-cash working capital items

Accounts receivable	(24,903)	71,971
Prepaid expenses	7,789	(2,712)
Accounts payable and accrued liabilities	(86,679)	33,608
Deferred revenue	<u>13,713</u>	<u>(2,225)</u>
	<u>17,295</u>	<u>(92,244)</u>

Investing

Purchase of investments (net)	<u>(108,054)</u>	<u>(54,911)</u>
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Net change in cash during the year (90,759) (147,155)

Cash, beginning of year 119,956 267,111

Cash, end of year \$ 29,197 \$ 119,956

Hypertension Canada

Notes to the Financial Statements

April 30, 2025

1. Nature of organization

Hypertension Canada (the “Organization”) is a national organization whose main purpose is to advance health through the prevention and control of high blood pressure. Its main activities are research, professional and public education, and advocacy.

Hypertension Canada is incorporated in the province of Ontario as a not-for-profit organization without share capital and is exempt from tax. The Organization’s registered charity number is 89701 6275 RR0001.

2. Summary of significant accounting policies

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

Fund accounting

The Organization maintains its accounts in accordance with the principles of fund accounting under which resources for particular purposes are classified for accounting and reporting into funds corresponding to those purposes.

Unrestricted – represents the results of ongoing mission work, grant activities, fundraising, and administrative activities where no restrictions are placed on activities.

Internally restricted – accounts for income arising from assets received from the International Society of Hypertension’s Montreal meeting in 1990 and awards distributed out of the fund in honour of the May 1992 agreement and as directed by the Board of Directors.

The Board of Directors administers and awards these funds in accordance with the terms and spirit of the agreement described above and subject to the Organization’s by-laws.

Internally restricted endowment – represents the original endowment received from the International Society of Hypertension’s Montreal meeting in 1990, carried in honour of the May 1992 agreement, as directed by the Board of Directors. In recognition of the legacy agreement and the initial contribution, the Board approved that \$2,000,000 will remain in the Endowment Fund indefinitely. This was reduced to \$1,000,000, by the Board, during the year ended April 30, 2020.

Externally restricted – represent the results of activities related to proceeds received from donors who specify the use of donations, and specific grants allocated therefrom. The externally restricted fund consists of:

Vancouver Hypertension 2010 – Pursuant to an agreement with the local organizers of the International Society of Hypertension’s meeting in Vancouver in 2010, the Organization received a grant of \$630,000 in 2014, and an additional grant of \$200,000 in 2019, to be used for the following specific activities, for a period of 30 years:

- i. For an annual lecture on hypertension during the Canadian Hypertension Congress; and,
- ii. To support research, primarily of trainees or young investigators, in the area of hypertension and related diseases.

Hypertension Canada

Notes to the Financial Statements

April 30, 2025

2. Summary of significant accounting policies (continued)

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized to finance activities and acquisitions in another fund.

Revenue recognition

The Organization follows the restricted fund method of accounting for restricted contributions. Under this method, externally restricted contributions are recognized as revenue in the appropriate fund when received. Endowment contributions are recognized as direct increases in the Endowment Fund when received. Unrestricted revenue, including device endorsements, certification, grants, sponsorships and donations, is recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue when earned.

Investment income earned on endowment assets and the respective restricted fund balances is recognized in the appropriate restricted fund.

Contributed services

Volunteers contribute many hours so that the Organization can carry out its goals and objectives. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Organization's financial instruments are initially measured at fair value when issued or acquired.

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (less impairment in the case of financial assets), except for investments which are measured at fair value. The financial instruments measured at amortized cost are cash, accounts receivable, and accounts payable.

For financial assets measured at amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

Investments consist of pooled investment funds and are recorded at fair value. Unrealized gains and losses arising from the change in the fair value of investments are recorded in the excess (deficiency) of revenue over expenses for the fiscal year.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Areas requiring the use of management estimates include accrued liabilities and rates of amortization. Actual results could differ from these estimates.

Hypertension Canada

Notes to the Financial Statements

April 30, 2025

3. Investments

As at April 30, 2025, investments were held in a balanced pooled fund, consisting of fixed income securities (32.2%; 2024 – 31.9%), foreign equities (49.1%; 2024 – 48.5%), and Canadian equities (18.7%; 2024 – 19.6%). In fiscal 2025, the return earned on the investments was approximately 10.9% (2024 – 9.0%).

The investments are set aside to fund activities of the various restricted and endowed funds, as follows:

	<u>2025</u>	<u>2024</u>
Internally restricted endowment	\$ 1,000,000	\$ 1,000,000
Externally restricted	1,203,910	1,078,970
Internally restricted	739,569	582,286
Available for use in unrestricted activities	<u>300,101</u>	<u>279,578</u>
Total investments	<u>\$ 3,243,580</u>	<u>\$ 2,940,834</u>

4. Deferred revenue

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 3,650	\$ 5,875
Funds received during the year	17,363	-
Less: funds recognized in revenue	<u>(3,650)</u>	<u>(2,225)</u>
Balance, end of year	<u>\$ 17,363</u>	<u>\$ 3,650</u>

5. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

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 Organization's main credit risk relates to its accounts receivable, which is not considered to be significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to significant liquidity risk due to its strong working capital position.

Hypertension Canada

Notes to the Financial Statements

April 30, 2025

5. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at April 30, 2025, investments of \$790,460 (2024 - \$736,973) and \$801,489 (2024 - \$689,332) are invested in United States and International equities, respectively, and are converted into Canadian dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at April 30, 2025, investments of \$1,045,406 (2024 - \$936,656) are invested in fixed income investments and subject to interest rate risk.

Other price risk

Other price risk is the risk that the fair value of 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 other factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in equities.

6. Commitment

The Organization is committed under an agreement for management services with the fee of \$16,900 per month plus annual CPI increases to June 30, 2025. Minimum payments are \$33,800 for fiscal 2026.