

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Financial Statements

Year Ended August 31, 2022

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

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Year Ended August 31, 2022

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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, 2022, 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, 2022, 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
November 29, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

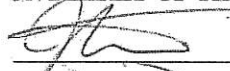
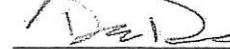
Statement of Financial Position

August 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 2,034,948	\$ 2,764,417
Accounts receivable (Notes 4, 13)	321,197	334,830
Prepaid expenses	353	12,853
	2,356,498	3,112,100
RESTRICTED CASH	72,454	57,223
CAPITAL ASSETS (Notes 5, 11)	93,701	107,042
INVESTMENTS (Note 6)	1,296,279	826,161
RESTRICTED INVESTMENTS (Note 6)	1,585,360	1,596,248
	\$ 5,404,292	\$ 5,698,774
LIABILITIES		
CURRENT		
Accounts payable (Notes 7, 13)	\$ 326,714	\$ 395,270
Deferred contributions (Note 9)	1,119,111	1,378,248
Deferred endowment income (Note 10)	37,296	6,430
Current portion of long term debt (Note 11)	18,896	18,553
	1,502,017	1,798,501
LONG TERM DEBT (Note 11)	43,537	62,433
	1,545,554	1,860,934
NET ASSETS		
Unrestricted fund	2,200,924	2,184,371
N.B. Research Endowment (Note 12)	1,657,814	1,653,469
	3,858,738	3,837,840
	\$ 5,404,292	\$ 5,698,774

COMMITMENTS (Note 16)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Operations Year Ended August 31, 2022

	2022	2021
REVENUE		
Hockey Heroes	\$ 1,277,937	\$ 343,047
Bingo and other special events	772,017	433,826
Direct mail (Note 13)	289,404	343,502
Jump Rope for Heart	278,017	308,421
Bequests and major gifts	244,913	197,733
Material sales and other revenue	237,208	187,989
Campaign receipts	224,000	154,031
Memoriam donations (Note 13)	156,031	134,516
Endowment fund (Note 10)	40,000	40,000
Interest	23,660	13,928
Dividends	21,474	19,971
Realized gain on disposal of investments	20,011	39,511
Big Bike	-	55,031
	3,584,672	2,271,506
EXPENSES		
Health promotion (Notes 13, 15)	1,325,908	843,320
Fund development (Notes 13, 15)	1,056,386	732,596
Medical research and facilities (Notes 13, 15)	821,634	583,688
Administration (Notes 13, 15)	335,857	188,226
	3,539,785	2,347,830
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	44,887	(76,324)
OTHER INCOME (LOSS)		
COVID-19 subsidies	26,412	707,568
Net unrealized gain (loss)	(54,746)	86,018
	(28,334)	793,586
EXCESS OF REVENUE OVER EXPENSES BEFORE GOVERNMENT MANAGED PROGRAMS	16,553	717,262
GOVERNMENT MANAGED PROGRAMS (Note 8)		
Live Well: Funding	871,164	1,015,177
NB School Food Program: Funding	117,874	283,126
Stroke Navigator: Funding	105,240	164,818
NBATC: Funding	63,662	22,542
NBATC: Health promotion expenses	(63,662)	(22,542)
NB School Food Program: Administration expenses	-	(30,000)
LiveWell: Administration expenses	(62,500)	(92,067)
Stroke Navigator: Health promotion expenses	(105,241)	(164,818)
NB School Food Program: Health promotion expenses	(117,873)	(253,126)
LiveWell: Health promotion expenses	(808,664)	(923,110)
	-	-
EXCESS OF REVENUE OVER EXPENSES	\$ 16,553	\$ 717,262

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Statement of Changes in Net Assets

Year Ended August 31, 2022

	Unrestricted Fund	N.B. Research Endowment	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 2,184,371	\$ 1,653,469	\$ 3,837,840	\$ 2,799,992
Excess of revenue over expenses	16,553	-	16,553	717,262
Endowment contributions received during the year <i>(Note 12)</i>	-	20,000	20,000	145,000
Restricted investment gain (loss) reinvested in endowment balances, net of transfers <i>(Note 12)</i>	-	(15,655)	(15,655)	175,586
NET ASSETS - END OF YEAR	\$ 2,200,924	\$ 1,657,814	\$ 3,858,738	\$ 3,837,840

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

**Statement of Cash Flows
Year Ended August 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 16,553	\$ 717,262
Items not affecting cash:		
Amortization of capital assets	31,908	25,604
Gain on disposal of investments	(20,011)	(39,511)
Net unrealized (gain) loss	54,746	(86,018)
Loss on sale of capital assets	-	35,166
	<u>83,196</u>	<u>652,503</u>
Changes in non-cash working capital:		
Accounts receivable	13,633	242,156
Prepaid expenses	12,500	57,500
Accounts payable	(68,563)	157,999
Deferred contributions	(259,137)	(211,692)
Deferred endowment income	30,866	3,515
	<u>(270,701)</u>	<u>249,478</u>
	<u>(187,505)</u>	<u>901,981</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(18,567)	(102,263)
Net purchase over proceeds on disposal of investments	(524,844)	(169,772)
	<u>(543,411)</u>	<u>(272,035)</u>
FINANCING ACTIVITIES		
Endowment contributions received	20,000	145,000
Repayment of long term debt	(18,553)	(54,392)
Proceeds from long term debt	-	94,676
	<u>1,447</u>	<u>185,284</u>
INCREASE (DECREASE) IN CASH	(729,469)	815,230
CASH - BEGINNING OF YEAR	2,764,417	1,949,187
CASH - END OF YEAR	\$ 2,034,948	\$ 2,764,417
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 34,951	\$ 25,801
Interest paid	\$ 1,290	\$ 1,749

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2022

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, 2022, 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, 2022

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, 2022

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, 2022.

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

	<u>2022</u>	<u>2021</u>
Trade	\$ 182,345	\$ 46,415
Due from Heart and Stroke Foundation of Canada (Note 13)	89,013	106,721
HST rebate receivable	49,839	23,813
COVID-19 subsidies receivable	-	157,881
	<u>\$ 321,197</u>	<u>\$ 334,830</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2022

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Motor vehicles	\$ 92,853	\$ 31,919	\$ 60,934	\$ 81,246
Furniture and fixtures	52,348	33,351	18,997	15,097
Computer hardware	70,109	56,339	13,770	8,564
Computer software	23,126	23,126	-	2,135
	<u>\$ 238,436</u>	<u>\$ 144,735</u>	<u>\$ 93,701</u>	<u>\$ 107,042</u>

6. INVESTMENTS

	2022	2021
Unrestricted		
Fixed income (Market Value \$589,804; 2021 - \$361,696)	\$ 584,364	\$ 358,832
Canadian equity (Market Value \$652,940; 2021 - \$414,709)	575,542	277,492
U.S. equity (Market Value \$53,535; 2021 - \$47,757)	30,540	29,258
	<u>1,190,446</u>	<u>665,582</u>
Net unrealized gains	105,833	160,579
	<u>1,296,279</u>	<u>826,161</u>
Restricted		
Fixed income (Market Value \$771,429; 2021 - \$671,159)	763,106	664,450
Canadian equity (Market Value \$813,932; 2021 - \$925,090)	645,804	714,381
	<u>1,408,910</u>	<u>1,378,831</u>
Net unrealized gains	176,450	217,417
	<u>1,585,360</u>	<u>1,596,248</u>
	<u>\$ 2,881,639</u>	<u>\$ 2,422,409</u>

7. ACCOUNTS PAYABLE

	2022	2021
Due to Heart and Stroke Foundation of Canada (Note 13)	\$ 205,678	\$ 244,307
Trade and accrued liabilities	61,236	86,069
Wages and fringe benefits	59,800	64,894
	<u>\$ 326,714</u>	<u>\$ 395,270</u>

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2022

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 2023.

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 March 2023.

During the 2021 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 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.

	2022	2021
LiveWell program	\$ 898,076	\$ 926,437
Stroke Navigator program	116,300	221,541
NBATC program	88,315	81,976
Heart Truth program	16,420	31,420
NB School Food program	-	116,874
	\$ 1,119,111	\$ 1,378,248

10. DEFERRED ENDOWMENT INCOME

	2022	2021
Opening balance	\$ 6,430	\$ 2,915
Restricted investment income (loss) earned during the year	55,211	219,101
	61,641	222,016
Restricted investment income funding expenditures during the year	(40,000)	(40,000)
Restricted investment (income) loss reinvested in endowment balances (Note 12)	15,655	(175,586)
	\$ 37,296	\$ 6,430

The investment income (loss) balance of \$55,375 (2021 - \$219,101) is comprised of interest income of \$11,289 (2021 - \$11,873), dividend income of \$31,979 (2021 - \$24,700), realized gain on disposal of investments of \$53,074 (2021 - \$11,307) and net unrealized gain (loss) of (\$40,967) (2021 - 171,221).

HEART AND STROKE FOUNDATION OF NEW BRUNSWICK

Notes to Financial Statements

Year Ended August 31, 2022

11. LONG TERM DEBT

	<u>2022</u>	<u>2021</u>
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 \$35,709.	\$ 37,015	\$ 48,306
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 \$25,225.	<u>25,418</u>	32,680
	62,433	80,986
Amounts payable within one year	<u>(18,896)</u>	(18,553)
	<u>\$ 43,537</u>	\$ 62,433

Principal repayment terms are approximately:

2023	\$ 18,896
2024	19,248
2025	19,610
2026	<u>4,679</u>
	<u>\$ 62,433</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.

	2021	Investment loss reinvested	Contributions	2022
Travis Mersereau Endowment Fund	\$ 490,536	\$ (3,641)	\$ -	\$ 486,895
New Brunswick Cardiovascular Research Endowment Fund	1,090,995	(7,745)	20,000	1,103,250
Diamond Const. Endowment Fund	71,249	(4,228)	-	67,021
Mona F. Johnson Memorial Fund	689	(41)	-	648
	<u>\$ 1,653,469</u>	\$ (15,655)	\$ 20,000	<u>\$ 1,657,814</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, 2022

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 \$336,153 (2021 - \$384,570) from HSFC during the year for shared fundraising initiatives. In addition, \$729,964 (2021 - \$632,210) 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 \$68,093 (2021 - \$63,690) 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 five years are as follows:

2023	\$	107,772
2024		87,835
2025		74,601
2026		73,862
2027		18,466