

BC Cancer Foundation Audited Financial Statements

For year ended March 31, 2015

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A Message from the BC Cancer Foundation Chairman of the Board and the President & CEO

To our Partners in Discovery,

The BC Cancer Agency is setting a new global standard in cancer research that is bringing hope to thousands of British Columbians affected by cancer.

This would not be possible without the generous support of 100,000 donors across the province who partnered with the BC Cancer Foundation to raise \$52.2 million this year.

Our donors rallied tremendous support, including \$5 million raised for the Personalized Onco-Genomics Program at the annual *Inspiration Gala*, \$9.4 million raised at the sixth annual *Ride to Conquer Cancer* and \$6.5 million raised to purchase VERO, a revolutionary first-in-Canada radiotherapy delivery system.

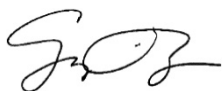
This generosity allows the best and brightest scientific minds in the world to reach new heights of achievement—and the world is taking notice. BC Cancer Agency researchers Drs. Joseph Connors, Randy Gascoyne, Steven Jones and Marco Marra were recognized by their peers around the globe in the *World's Most Influential Scientific Minds: 2014* report by Thomson Reuters for vital contributions to the advancement of science.

And based on the strength of our commitment to our donors, the BC Cancer Foundation was named a national winner in the category of Best Overall Corporate Governance at the second annual Excellence in Governance Awards.

Cancer research happening in B.C. is working. Patients are being diagnosed earlier, treatments are more effective and side effects are being reduced. Most importantly, hundreds and hundreds more British Columbians are able to say three important words: "I'm still here."

On behalf of everyone at the BC Cancer Foundation, thank you for supporting cancer research and care in British Columbia.

Thank you for being our partners in discovery.



Greg D'Avignon
Board Chair



Douglas Nelson
President & CEO

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and the information contained in the report to donors are the responsibility of the management of the BC Cancer Foundation (the "Foundation").

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include, where appropriate, estimates based on the best judgment of management. Financial and operating data elsewhere in the report to donors is consistent with that contained in the accompanying financial statements.

As part of its responsibilities, the Foundation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Foundation's assets are appropriately accounted for and adequately safeguarded.

The Board of the Foundation carries out its responsibilities with regard to the financial statements mainly through its Finance and Audit Committee (the "Committee"). The Committee reviews the annual financial statements and other information contained in the report to donors and recommends them to the Board for approval. The Committee meets periodically with management and the external auditors. Following these meetings, the Committee meets privately with the auditors to ensure free and open discussion of any subject the Committee or the auditors wish to pursue. The Committee also recommends the engagement or re-appointment of the external auditors, reviews the scope of the audit and approves the fees of the external auditors for audit and non-audit services.

The financial statements, audited by KPMG LLP, have been approved by the Board, on the recommendation of the Audit Committee.

June 18, 2015



Douglas Nelson
President & CEO



Luigi Del Gobbo, CPA, CA
Vice President & CFO

Financial Statements of

BC CANCER FOUNDATION

Year ended March 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Members of BC Cancer Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of BC Cancer Foundation, which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the BC Cancer Foundation as at March 31, 2015 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

KPMG LLP

Chartered Accountants

June 3, 2015

Vancouver, Canada

BC CANCER FOUNDATION

Statement of Financial Position
(amounts in thousands of dollars)

March 31, 2015, with comparative information for 2014


	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2015	Total 2014
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,811	\$ 31,418	\$ -	\$ 38,229	\$ 30,366
Amounts receivable and prepaids (note 4)	94	5,128	-	5,222	439
	6,905	36,546	-	43,451	30,805
Investments (note 5)	143	29,620	49,442	79,205	75,002
Funds held at the Vancouver Foundation (note 6)	1,363	-	-	1,363	1,309
Other assets (note 7)	1,859	344	-	2,203	3,190
Capital assets (note 8)	58	-	-	58	85
	\$ 10,328	\$ 66,510	\$ 49,442	\$ 126,280	\$ 110,391

Liabilities and Net Assets


Current liabilities:					
Accounts payable and accrued liabilities (note 9)	\$ 592	\$ 105	\$ 43	\$ 740	\$ 1,387
Accounts payable – BC Cancer Agency	15	3,873	-	3,888	2,739
	607	3,978	43	4,628	4,126
Interfund payable (receivable)	94	(92)	(2)	-	-
Net assets:					
Unrestricted fund	9,627	-	-	9,627	7,195
Restricted fund	-	62,624	-	62,624	54,568
Endowment fund	-	-	49,401	49,401	44,502
	9,627	62,624	49,401	121,652	106,265
	\$ 10,328	\$ 66,510	\$ 49,442	\$ 126,280	\$ 110,391

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BC CANCER FOUNDATION

Statement of Operations
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2015	Total 2014
Revenue:					
Individual philanthropy	\$ 11,741	\$ 15,952	\$ 1,599	\$ 29,292	\$ 18,201
Charitable events (note 11)	3,100	7,050	-	10,150	13,073
Government grant	-	5,000	-	5,000	-
Investment income (note 5)	1,539	-	4,971	6,510	3,695
Other income (loss) (note 7(a))	(650)	1,710	193	1,253	1,350
Total revenues	15,730	29,712	6,763	52,205	36,319
Direct fundraising costs (note 12)	8,304	3,675	168	12,147	12,566
Net fundraising	7,426	26,037	6,595	40,058	23,753
General and administration expenses:					
Foundation Administration	2,744	-	-	2,744	2,767
Community Awareness & Public Engagement	1,400	-	-	1,400	1,406
	4,144	-	-	4,144	4,173
Excess of revenue over expenses before fair value adjustments on assets	3,282	26,037	6,595	35,914	19,580
Fair value adjustments on assets	300	47	(549)	(202)	4,376
Excess of revenue over expenses before support of research and other initiatives	3,582	26,084	6,046	35,712	23,956
Support provided to BC Cancer Agency	-	20,325	-	20,325	17,678
Excess of revenues over expenses	\$ 3,582	\$ 5,759	\$ 6,046	\$ 15,387	\$ 6,278

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Statement of Changes in Net Assets
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2015	Total 2014
Balance, beginning of year	\$ 7,195	\$ 54,568	\$ 44,502	\$ 106,265	\$ 99,987
Excess of revenue over expenses	3,582	5,759	6,046	15,387	6,278
Interfund transfers	(1,150)	2,297	(1,147)	-	-
Balance, end of year	\$ 9,627	\$ 62,624	\$ 49,401	\$ 121,652	\$ 106,265

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Statement of Cash Flows
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided from (used in):		
Operating:		
Excess of revenue over expenses	\$ 15,387	\$ 6,278
Items not involving cash:		
Gain on sale of investments	(2,161)	(45)
Amortization	27	30
Change in fair value of assets	202	(4,376)
Decrease (accretion) of other assets	398	(379)
Change in non-cash working capital:		
Amounts receivable and prepaids	(4,783)	418
Accounts payable and accrued liabilities	(647)	360
Accounts payable – BC Cancer Agency	1,149	(418)
	9,572	1,868
Investments:		
Purchase of investments	(7,692)	(6,134)
Proceeds from sale of investments	5,394	1,066
Proceeds from asset held for sale	589	-
Purchase of capital assets	-	(14)
	(1,709)	(5,082)
Increase (decrease) in cash and cash equivalents	7,863	(3,214)
Cash and cash equivalents, beginning of year	30,366	33,580
Cash and cash equivalents, end of year	\$ 38,229	\$ 30,366

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Notes to Financial Statements
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

1. Purpose of the Organization:

BC Cancer Foundation (the "Foundation") is incorporated under the Society Act (British Columbia). The Foundation is an independent charitable organization that raises and stewards resources to support breakthrough research and enhancements to patient care through the British Columbia Cancer Agency Branch (the "Agency"), a branch society of the Provincial Health Services Authority (the "Authority").

The Foundation is a charitable organization registered under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes, under Registration Number 11881 8434 RR 0001. In order to maintain its status as a charitable organization registered under the Act, the Foundation must meet certain requirements within the Act. The Foundation and the Agency have "associated charity status" from Canada Revenue Agency.

2. Operations:

The Foundation is responsible for fundraising activities and supporting ongoing research for the Agency, which includes the BC Cancer Agency Research Centre, the Trev & Joyce Deeley Research Centre (at the BC Cancer Agency Vancouver Island) and the BC Cancer Agency's Genome Sciences Centre, as well as clinical, translational and outcomes research at all six BC Cancer Agency Centres.

3. Significant accounting policies:

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting following the restricted fund method of accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board").

Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded in the statement of changes in net assets.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

3. Significant accounting policies (continued):

(a) Fund accounting (continued):

For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted:

The Unrestricted Fund accounts for the Foundation's general fundraising and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes. The Foundation's investments in capital assets are also included in the Unrestricted Fund.

(ii) Restricted:

The Restricted Fund includes those funds where resources are to be used for an identified purpose as specified by the donor, as stipulated by the fundraising appeal or as determined by the Board. These funds include those which are restricted for use in research, enhancements to patient care and other designated areas of the Foundation's support grant activities.

(iii) Endowment:

The Endowment Fund includes those funds where either donor or internal restrictions require that the principal be maintained by the Foundation on a permanent basis. A distribution of income earned is made annually on the recommendation of the Foundation's Board for spending purposes.

(b) Cash and cash equivalents:

Cash and cash equivalents consists of cash and highly liquid investments with terms to maturity of three months or less at the date of acquisition.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is recorded on a straight-line basis over the estimated useful lives of the asset as follows:

Asset	Period
Office furniture and equipment	5 years

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

3. Significant accounting policies (continued):

(d) Revenue recognition:

Donations and bequests are recorded when received.

Endowment donations are recognized as revenue in the Endowment Fund. Other restricted donations are recognized as revenue of the Restricted Fund. Unrestricted donations are recognized as revenue of the Unrestricted Fund.

Investment income earned on the Endowment Fund is recognized as revenue of the Endowment Fund. Investment income earned on the Unrestricted and Restricted Funds is recognized as revenue of the Unrestricted Fund.

Government grants are recorded as revenue in the fiscal year that the grants are authorized and when collection is reasonably assured.

(e) Support provided to BC Cancer Agency:

Support provided to BC Cancer Agency is recognized when a legal obligation is created.

(f) Contributed goods and services:

Contributed assets, which are transferred to the Foundation, are recognized at their fair market value in the financial statements at the time of acceptance by the Foundation, if determinable.

Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(g) Employee future benefits:

The employees of the Foundation are members of a multi-employer defined benefit plan and, accordingly, contributions are expensed as incurred.

(h) Allocation of expenses:

(i) Direct fundraising costs:

Direct fundraising costs include all third party fundraising program costs, event expenses and internal costs directly attributable to fundraising activities.

(ii) Foundation administration expenses and community awareness and public engagement expenses:

All expenses related to general management and administrative activities are expensed in the unrestricted fund in the period in which they are incurred. All expenses related to marketing and communication activities of the Foundation are expensed in the unrestricted fund in the period in which they are incurred as community awareness and public engagement expenses.

Foundation administrative and community awareness and public engagement expenses are not allocated to direct fundraising costs.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

3. Significant accounting policies (continued):

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the valuation of assets held under other assets. Actual results could differ from those estimates.

4. Amounts receivable and prepaids:

	2015	2014
Government grant receivable	\$ 5,000	\$ -
Amounts receivable	211	281
Prepaid expenses and deposits	11	158
	<u>\$ 5,222</u>	<u>\$ 439</u>

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

5. Investments:

	2015	2014
Money market funds, measured at fair value	\$ 923	\$ 2,416
Fixed income investments, measured at fair value	48,678	40,947
Equity investments, measured at fair value	29,604	31,639
	<u>\$ 79,205</u>	<u>\$ 75,002</u>

Under the Foundation's Investment Policy, investments are managed on a discretionary basis by the appointed external investment manager. The asset allocations as at year end are as follows:

	2015	2014
Money market funds	1%	3%
Fixed income investments	62%	55%
Equity investments	37%	42%
	<u>100%</u>	<u>100%</u>

The total return on the Endowment Fund portfolio for the fiscal year ended March 31, 2015 was approximately 9.8% (2014 - 17.1%).

The total return on the Restricted Fund portfolio for the year ended March 31, 2015 was approximately 3.49% (2014 - 1.95%).

Investment income earned during the year is comprised of the following:

	2015	2014
Interest and dividends	\$ 4,349	\$ 3,650
Realized net capital gains	2,161	45
	<u>\$ 6,510</u>	<u>\$ 3,695</u>

The fair value adjustment on assets recorded on the statement of operations includes unrealized gain (loss) on investments.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

6. Funds held at the Vancouver Foundation:

One of the Foundation's funds is administered by the Vancouver Foundation. The Foundation receives the net income generated after deduction of administrative costs. The contributed capital in the fund amounted to \$1,162 at March 31, 2015 (2014 - \$1,162), of which \$747 was contributed by the Foundation and \$415 by the Vancouver Foundation. Under the terms of the agreement, the Foundation is entitled to withdraw its contributions and proportionate earnings, with the exception of \$10 initially contributed which was expensed in 1981. The fair value of the capital in the fund amounted to \$2,148 at March 31, 2015 (2014 - \$2,062); however, only \$1,363 (2014 - \$1,309) in fair value, relating to the amount of the fund contributed by the Foundation which can be withdrawn, is presented as an asset on the statement of financial position in the unrestricted fund.

7. Other assets:

	2015	2014
Donated asset held-for-sale (a)	\$ -	\$ 1,250
Life insurance policies (b)	1,426	1,130
Loans receivable (c)	706	672
Charitable remainder trust	71	138
	<u>\$ 2,203</u>	<u>\$ 3,190</u>

- (a) Donated asset held-for-sale, comprised of a residential property, was sold during the year. A loss on sale was recorded against other income in the amount of \$661.
- (b) The Foundation is named the beneficiary for various life insurance policies for which the respective donors have agreed to pay the life insurance premiums on behalf of the Foundation. These policies are irrevocable and are recorded at their estimated present value of the expected ultimate benefits as determined by management using a discounted cash flow approach and valuation assumptions, including mortality and discount rate. Any difference between the carrying value and actual cash received upon the realization of the policy is recognized as revenue and expense in the period of receipt.
- (c) Loans receivable is related to loans for properties currently occupied by senior scientists of the Agency. With the exception of a \$150 loan bearing interest at 4% per annum, the loans receivable are non-interest bearing and repayable over terms of maturity up to 10 years. The loans are initially recorded at their net present value and accreted to the ultimate loan repayment amount.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

8. Capital assets:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Office furniture and equipment	\$ 1,580	\$ 1,522	\$ 58	\$ 85

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$79 (2014 - \$72), which includes amounts payable for payroll related taxes.

10. Credit facilities:

As at March 31, 2015, the Foundation has three credit facilities available with the HSBC Bank of Canada as follows:

- (i) an operating line of credit for \$1,000, bearing interest at HSBC's prime rate plus 0.5% per annum;
- (ii) a foreign exchange line of credit for \$311 to allow the Foundation to purchase forward exchange contracts up to an aggregate of USD \$1,500 with a maximum maturity of 12 months; and
- (iii) an electronic funds transfer facility of \$100.

No amounts were drawn on these facilities at March 31, 2015 (2014 - nil).

11. Charitable events:

	2015	2014
Charitable events revenue	\$ 10,150	\$ 13,073
Charitable event costs (note 12)	(5,164)	(5,590)
	\$ 4,986	\$ 7,483

Included in the above amounts are revenues of \$1,950 (2014 - \$3,295) and expenses of \$1,387 (2014 - \$1,844), which have been received and incurred associated with events being held subsequent to year end. The remaining revenues and expenses from these events will be recorded in the financial statements in the year ending March 31, 2016.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

12. Direct fundraising costs:

	2015	2014
Charitable event costs (note 11)	\$ 5,164	\$ 5,590
External fundraising costs	2,798	2,360
Internal direct fundraising costs	4,185	4,616
	<u>\$ 12,147</u>	<u>\$ 12,566</u>

13. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2014.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. It is management's opinion that the Foundation is not exposed to significant credit risks. There has been no change to the risk exposures from 2014.

(c) Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Foundation is exposed to this type of risk as a result of investments in bonds and money market funds. The risk associated with investments is managed through the Foundation's established Investment Policy.

It is management's opinion that the Foundation is not exposed to significant currency risks.

BC CANCER FOUNDATION

Notes to Financial Statements (continued)
(amounts in thousands of dollars)

Year ended March 31, 2015, with comparative information for 2014

14. Employee Pension Plan:

The Foundation and its employees contribute to the Municipal Pension Plan ("Plan"), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has approximately 179,000 active members and approximately 71,000 retired members. Active members include approximately 56 (2014- 64) employees of the Foundation.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Foundation paid \$477 (2014 - \$413) for employer contributions to the Plan in fiscal 2015.

15. Affiliated organizations:

- (a) The Foundation receives certain administrative services from the Authority, primarily information technology support. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.
- (b) The Foundation has established a non profit corporation, Friends of the British Columbia Cancer Foundation, US ("Friends"), in Washington State, USA, which is recognized as a charitable organization under section 501(c)(3) of the U.S. Internal Revenue Service code. Friends is able to provide written substantiation of gifts in order to allow donors to Friends to deduct their donations for U.S. federal income tax purposes. Donated funds raised by Friends are contributed to the Foundation. The Foundation does not account for Friends in these financial statements. As at March 31, 2015, Friends had no significant assets or liabilities.
- (c) Amounts owing to the Agency arise from unpaid grants as at year end and are non-interest bearing.

During the year, the Foundation received grants of \$63 (2014 - \$23) from the above affiliated organizations.

16. Related party transactions:

The Foundation from time to time receives donation contributions from its employees and board members which are recognized in accordance with the Foundation's accounting policies over donations and contributions.