

Financial Statements of

BC CANCER FOUNDATION

And Independent Auditors' Report thereon

Year ended March 31, 2022



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of BC Cancer Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of BC Cancer Foundation (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, 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.

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 9, 2022

BC CANCER FOUNDATION

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2022, with comparative information for 2021

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2022	Total 2021
Assets					
Current assets:					
Cash and cash equivalents	\$ 10,703	\$ 60,963	\$ 604	\$ 72,270	\$ 49,935
Amounts receivable (note 4)	38	4,001	-	4,039	214
	10,741	64,964	604	76,309	50,149
Investments (note 5)	374	91,633	71,536	163,543	151,563
Funds held at the Vancouver Foundation (note 6)	1,784	-	-	1,784	1,649
Other assets (note 7)	1,081	-	-	1,081	1,137
	\$ 13,980	\$ 156,597	\$ 72,140	\$ 242,717	\$ 204,498

Liabilities and Net Assets

Current liabilities:					
Accounts payable and accrued liabilities (note 8)	\$ 1,026	\$ -	\$ 54	\$ 1,080	\$ 1,141
Accounts payable - BC Cancer (note 15(c))	6	5,105	-	5,111	4,978
	1,032	5,105	54	6,191	6,119
Interfund payable (receivable)	110	(1,943)	1,833	-	-
Net assets:					
Unrestricted fund	12,838	-	-	12,838	14,476
Restricted fund	-	153,435	-	153,435	117,292
Endowment fund	-	-	70,253	70,253	66,611
	12,838	153,435	70,253	236,526	198,379
	\$ 13,980	\$ 156,597	\$ 72,140	\$ 242,717	\$ 204,498

See accompanying notes to financial statements.

Approved on behalf of the Board:

DocuSigned by:

John McCarthy

Director

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John McCarthy, Board Chair

DocuSigned by:

Lana Kirk

Director

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Lana Kirk, Treasurer

BC CANCER FOUNDATION

Statement of Operations

(Expressed in thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2022	Total 2021
Revenue:					
Fundraising	\$ 20,549	\$ 32,970	\$ 1,528	\$ 55,047	\$ 39,067
Charitable events (note 10)	1,227	5,011	-	6,238	3,225
Government grants	196	4,000	-	4,196	1,445
Investment income (note 5)	4,456	-	4,428	8,884	5,755
Other income	41	2,658	-	2,699	820
	26,469	44,639	5,956	77,064	50,312
Direct fundraising costs (note 11)	6,923	957	319	8,199	7,854
Net fundraising	19,546	43,682	5,637	68,865	42,458
General and administration expenses:					
Foundation Administration	3,352	-	-	3,352	3,283
Community Awareness & Public Engagement	1,769	-	-	1,769	1,237
	5,121	-	-	5,121	4,520
Excess of revenue over expenses before fair value adjustments on assets	14,425	43,682	5,637	63,744	37,938
Fair value adjustments on assets (note 5)	24	(649)	639	14	19,677
Excess of revenue over expenses before support of research and other initiatives	14,449	43,033	6,276	63,758	57,615
Support provided to BC Cancer	-	25,611	-	25,611	28,806
Excess of revenues over expenses	\$ 14,449	\$ 17,422	\$ 6,276	\$ 38,147	\$ 28,809

See accompanying notes to financial statements.

BC CANCER FOUNDATION

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

Year ended March 31, 2022, with comparative information for 2021

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2022	Total 2021
Balance, beginning of year	\$ 14,476	\$ 117,292	\$ 66,611	\$ 198,379	\$ 169,570
Excess of revenue over expenses	14,449	17,422	6,276	38,147	28,809
Interfund transfers	(16,087)	18,721	(2,634)	-	-
Balance, end of year	\$ 12,838	\$ 153,435	\$ 70,253	\$ 236,526	\$ 198,379

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided from (used in):		
Operating:		
Excess of revenue over expenses	\$ 38,147	\$ 28,809
Items not involving cash:		
Gain on sale of investments	(1,107)	(571)
Change in fair value of assets	(14)	(19,677)
Decrease (Increase) of other assets	56	(278)
Changes in non-cash operating working capital:		
Amounts receivable	(3,825)	9,961
Accounts payable and accrued liabilities	(61)	85
Accounts payable - BC Cancer	133	(1,045)
	<u>33,329</u>	<u>17,284</u>
Investments:		
Net change in investments and funds held at Vancouver Foundation	(10,994)	(8,839)
Proceeds from other assets	-	254
	<u>(10,994)</u>	<u>(8,585)</u>
Increase in cash and cash equivalents	22,335	8,699
Cash and cash equivalents, beginning of year	49,935	41,236
Cash and cash equivalents, end of year	<u>\$ 72,270</u>	<u>\$ 49,935</u>

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2022

1. Purpose of the Organization:

BC Cancer Foundation (the “Foundation”) is incorporated under the Societies 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 BC Cancer, part 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 BC Cancer have “associated charity status” from Canada Revenue Agency.

2. Operations:

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

3. Significant accounting policies:

These 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)
(Expressed in thousands of dollars)

Year ended March 31, 2022

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 agreement, 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, if any, 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.

BC CANCER FOUNDATION

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

Year ended March 31, 2022

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.

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:

Support provided to BC Cancer 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.

BC CANCER FOUNDATION

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

Year ended March 31, 2022

3. Significant accounting policies (continued):

(h) Allocation of expenses (continued):

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

(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. Areas requiring the use of management estimates include the valuation of assets held under other assets. Actual results could differ from those estimates.

BC CANCER FOUNDATION

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

Year ended March 31, 2022

4. Amounts receivable:

	2022	2021
Amounts receivable	\$ 39	\$ 41
Government grants receivable	4,000	173
	\$ 4,039	\$ 214

Amounts receivable include \$1 (2021 - nil) from Friends of the BC Cancer Foundation, US (note 15(b)).

5. Investments:

	2022	2021
Investments held at fair value:		
Money market funds	\$ 8,440	\$ 2,985
Fixed income investments	43,883	83,181
Equity investments	85,985	65,397
Commercial mortgage fund	11,653	-
Private debt fund	13,582	-
	\$ 163,543	\$ 151,563

Under the Foundation's Investment Policy, investments are managed on a discretionary basis by the appointed external investment manager.

The Foundation has unfunded investment commitments at March 31, 2022 of \$20,000 in US Dollars relating to real estate and infrastructure investments that can be drawn down on demand.

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

	2022	2021
Interest and dividends	\$ 7,777	\$ 5,184
Realized net capital gain	1,107	571
	\$ 8,884	\$ 5,755

The fair value adjustment on assets recorded on the statement of operations includes unrealized loss on investments of \$330 (2021 - unrealized gain of \$19,541).

BC CANCER FOUNDATION

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

Year ended March 31, 2022

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 \$1,169 at March 31, 2022 (2021 - \$1,166), of which \$754 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 \$2,803 at March 31, 2022 (2021 - \$2,595); however, only \$1,784 (2021 - \$1,649) 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:

	2022	2021
Life insurance policies	\$ 1,081	\$ 1,137

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.

8. Accounts payable and accrued liabilities:

There are no government remittances payable in accounts payable and accrued liabilities (2021 - nil).

BC CANCER FOUNDATION

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

Year ended March 31, 2022

9. Credit facilities:

As at March 31, 2022, the Foundation has four credit facilities available with the BMO Bank of Montreal as follows:

- (a) an operating line of credit for \$1,000, bearing interest at BMO's prime rate per annum;
- (b) a foreign exchange facility ("FEFC") line of credit for \$366 to allow the Foundation to purchase forward exchange contracts. The \$366 represents the risk equivalent of the credit facility amount;
- (c) an electronic funds transfer facility of \$250; and
- (d) a Corporate MasterCard facility for \$90.

No amounts were drawn on these facilities at March 31, 2022 and 2021.

10. Charitable events:

	2022	2021
Charitable events revenue	\$ 6,238	\$ 3,225
Charitable event costs (note 11)	(513)	(1,458)
	\$ 5,725	\$ 1,767

Included in the above amounts are revenues of \$1,106 (2021 - \$550) and expenses of \$103 (2021 - \$155), 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, 2023.

11. Direct fundraising costs:

	2022	2021
Charitable event costs (note 10)	\$ 513	\$ 1,458
External fundraising costs	2,736	1,181
Internal direct fundraising costs	4,950	5,215
	\$ 8,199	\$ 7,854

BC CANCER FOUNDATION

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

Year ended March 31, 2022

12. 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 significant change to this risk from 2021.

(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 cash, accounts receivable and certain investments. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. 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 credit risks. There has been no significant change to this risk from 2021.

(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, money market funds, and commercial mortgage fund. The risk associated with investments is managed through the Foundation's established Investment Policy. There has been no significant change to this risk from 2021.

(d) 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. The Foundation has investments in equity investments, commercial mortgage fund and private debt (note 5) which are subject to risks arising from changes in market conditions and general market fluctuations.

(e) Currency risk:

Investments in foreign securities are exposed to currency risk due to the fluctuations in foreign exchange rates. The Foundation is exposed to this risk as a result of foreign currency denominated investments and investment commitments.

BC CANCER FOUNDATION

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

Year ended March 31, 2022

13. Employee pension plan:

The Foundation and its employees contribute to the Municipal Pension Plan ("Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The Plan has approximately 220,000 active members and approximately 110,000 retired members. Active members include 67 (2021 - 65) employees of the Foundation.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Plan as at December 31, 2018 indicated a \$2,866,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results available in the fall of 2022.

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 resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Foundation paid \$607 (2021 - \$642) for employer contributions to the Plan in fiscal 2022.

14. Remuneration of directors, employees and contractors:

- (a) During the year, the Foundation paid \$2,001 (2021 - \$1,877) to the ten highest paid employees and contractors whose remuneration were greater than \$75.
- (b) In accordance with the bylaws of the Foundation, no compensation was paid to any Directors of the Foundation during the year.

BC CANCER FOUNDATION

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

Year ended March 31, 2022

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, 2022, Friends had no significant assets or liabilities. During the year, the Foundation received grants of \$76 (2021 - \$29) from Friends.
- (c) Amounts owing to BC Cancer arise from unpaid, non-reciprocal, irrevocable obligations for qualifying expenditures made by BC Cancer as at year end and are non-interest bearing.

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.