

Financial Statements
(Expressed in thousands of dollars)

BC CANCER FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S 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, 2024
- 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, 2024, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

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 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 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 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 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
June 7, 2024

BC CANCER FOUNDATION

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2024, with comparative information for 2023


	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 120,687	\$ 71,840
Amounts receivable and prepaids (note 4)	81	150,073
	<u>120,768</u>	<u>221,913</u>
Investments (note 5)	322,030	183,796
Funds held at the Vancouver Foundation (note 6)	1,726	1,631
Other assets	1,065	1,036
	<u>\$ 445,589</u>	<u>\$ 408,376</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 1,698	\$ 2,682
Accounts payable - BC Cancer (note 16(c))	11,427	7,594
	<u>13,125</u>	<u>10,276</u>
Net assets:		
Unrestricted Fund	16,083	18,013
Internally Restricted Fund	45,321	33,095
Externally Restricted Fund	256,294	242,480
Endowment Fund (note 8)	114,766	104,512
	<u>432,464</u>	<u>398,100</u>
	<u>\$ 445,589</u>	<u>\$ 408,376</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BC CANCER FOUNDATION

Statement of Operations

(Expressed in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

	Unrestricted Fund	Externally Restricted Fund	Endowment Fund	Total 2024	Total 2023
Revenue:					
Fundraising	\$ 21,453	\$ 31,146	\$ 1,121	\$ 53,720	\$ 56,198
Charitable events (note 11)	759	7,500	-	8,259	7,296
Government grant	-	-	-	-	150,000
Investment income (note 5)	16,075	-	5,827	21,902	11,732
Other income	24	1,051	2	1,077	1,030
	38,311	39,697	6,950	84,958	226,256
Direct fundraising costs (note 12)	9,394	2,750	250	12,394	9,975
Total revenue, net of fundraising costs	28,917	36,947	6,700	72,564	216,281
General and administration expenses:					
Foundation administration	4,540	-	-	4,540	3,878
Community awareness & public engagement	2,819	-	-	2,819	2,437
	7,359	-	-	7,359	6,315
Excess of revenue over expenses before undernoted	21,558	36,947	6,700	65,205	209,966
Change in fair value of assets (note 5)	137	6,494	6,511	13,142	(4,095)
Excess of revenue over expenses before support of research and other initiatives	21,695	43,441	13,211	78,347	205,871
Support provided to BC Cancer	-	43,983	-	43,983	44,297
Excess (deficiency) of revenues over expenses	\$ 21,695	\$ (542)	\$ 13,211	\$ 34,364	\$ 161,574

See accompanying notes to financial statements.

BC CANCER FOUNDATION

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

Year ended March 31, 2024, with comparative information for 2023

	Unrestricted Fund	Internally Restricted Fund	Externally Restricted Fund	Endowment Fund	Total 2024	Total 2023
Balance, beginning of year	\$ 18,013	\$ 33,095	\$ 242,480	\$ 104,512	\$ 398,100	\$ 236,526
Excess (deficiency) of revenue over expenses	21,695	-	(542)	13,211	34,364	161,574
Interfund transfers (note 9)	(23,625)	12,226	14,356	(2,957)	-	-
Balance, end of year	\$ 16,083	\$ 45,321	\$ 256,294	\$ 114,766	\$ 432,464	\$ 398,100

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided from (used in):		
Operations:		
Excess of revenue over expenses	\$ 34,364	\$ 161,574
Items not involving cash:		
(Gain) loss on sale of investments	(72)	443
Change in fair value of assets	(13,142)	4,095
(Increase) decrease of other assets	(29)	45
Changes in non-cash operating items:		
Amounts receivable and prepaids	149,992	(146,034)
Accounts payable and accrued liabilities	(984)	1,602
Accounts payable - BC Cancer	3,833	2,483
	173,962	24,208
Investments:		
Net change in investments and funds held at Vancouver Foundation	(125,115)	(24,638)
Increase (decrease) in cash and cash equivalents	48,847	(430)
Cash and cash equivalents, beginning of year	71,840	72,270
Cash and cash equivalents, end of year	\$ 120,687	\$ 71,840

See accompanying notes to financial statements.

BC CANCER FOUNDATION

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2024

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) Controlled entity:

These financial statements do not consolidate the financial information of Friends of the British Columbia Cancer Foundation, US, a charitable entity controlled by the Foundation. Disclosure regarding this entity is included in note 16(b).

(b) 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, 2024

3. Significant accounting policies (continued):

(b) Fund accounting (continued):

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

(i) Unrestricted Fund:

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 investment in capital assets are also included in the Unrestricted Fund.

(ii) Internally Restricted Fund:

From time to time, the Board of Directors may impose certain restrictions on Unrestricted Fund balances. These amounts are presented in the Statement of Financial Position and Statement of Changes in Net Assets as Internally Restricted Fund. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

(iii) Externally Restricted Fund:

The Externally Restricted Fund includes those funds where resources are to be used for an identified purpose as specified by the donor, as stipulated by agreement, or the fundraising appeal. 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.

(iv) Endowment Fund:

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 and income earned on these funds. A distribution of income earned is made annually on the recommendation of the Foundation's Board for spending purposes.

(c) 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.

(d) 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, 2024

3. Significant accounting policies (continued):

(e) Other assets:

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.

(f) 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 Externally 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 Externally 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.

(g) Support provided to BC Cancer:

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

(h) 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.

(i) Employee future benefits:

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

BC CANCER FOUNDATION

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

Year ended March 31, 2024

3. Significant accounting policies (continued):

(j) 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.

(k) 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 has elected to carry all investments other than guaranteed investment certificates at fair value.

Transactions are recorded on a trade date basis and 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.

BC CANCER FOUNDATION

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

Year ended March 31, 2024

3. Significant accounting policies (continued):

(l) Foreign currency translation:

Monetary assets and liabilities denominated in a foreign currency are translated at exchange rates in effect at the Statement of Financial Position date. Non-monetary assets and liabilities are translated at exchange rates in effect when the assets were acquired or obligations incurred. Revenue and expense items originating in foreign currencies are translated at rates of exchange in effect at the time of the transaction. Foreign exchange gains and losses are included in the Statement of Operations. Exchange gains and losses related to the translation of foreign currency denominated investments held at fair value are recorded as part of change in fair value of assets.

(m) 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.

4. Amounts receivable and prepaids:

	2024	2023
Government grant receivable	\$ -	\$ 150,000
Amounts receivable	60	71
Prepaids	21	2
	<u>\$ 81</u>	<u>\$ 150,073</u>

Amounts receivable include \$2 (2023 - \$11) from Friends of the BC Cancer Foundation, US (note 16(b)).

BC CANCER FOUNDATION

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

Year ended March 31, 2024

5. Investments:

	2024	2023
Investments held at fair value:		
Money market funds	\$ 12,325	\$ 8,494
Bonds and fixed income fund	35,741	31,873
Equity funds	125,126	86,309
Commercial mortgage fund	17,182	13,494
Private debt fund	19,504	15,970
Real estate fund	17,682	13,390
Infrastructure fund	15,774	14,266
	243,334	183,796
Investments held at amortized cost:		
Guaranteed investment certificates	78,696	-
	\$ 322,030	\$ 183,796

The guaranteed investment certificates have interest rates of 5.38% - 5.72% and mature over various dates from May 2024 to May 2025. The amounts recognized above are inclusive of accrued interest.

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

The investments relate to the following Funds:

	2024	2023
Unrestricted Fund	\$ 372	\$ 407
Externally Restricted Fund	207,396	111,662
Endowment Fund	114,262	71,727
	\$ 322,030	\$ 183,796

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

	2024	2023
Interest and dividends	\$ 21,830	\$ 12,175
Realized net capital gain (loss)	72	(443)
	\$ 21,902	\$ 11,732

The change in fair value of assets recorded on the Statement of Operations includes unrealized gain on investments of \$13,133 (2023 - unrealized loss on investments of \$3,971).

BC CANCER FOUNDATION

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

Year ended March 31, 2024

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, 2024 (2023 - \$1,169), 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 \$2,712 at March 31, 2024 (2023 - \$2,564); however, only \$1,726 (2023 - \$1,631) 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. Accounts payable and accrued liabilities:

There are no government remittances payable in accounts payable and accrued liabilities (2023 - nil).

8. Endowment Fund:

Included in the Endowment Fund is \$84,858 (2023 - \$53,637) subject to external restrictions requiring that they be maintained permanently.

9. Interfund transfers:

	Unrestricted Fund	Internally Restricted Fund	Externally Restricted Fund	Endowment Fund
2024				
Sundry grants transferred to Externally Restricted Fund	\$ (1,225)	\$ -	\$ 1,225	\$ -
Approved transfer from Unrestricted Fund to Internally Restricted Fund	(22,400)	22,400	-	-
Approved transfer from Internally Restricted Fund to Externally Restricted Fund for support provided to BC Cancer	-	(10,174)	10,174	-
Approved Endowment distribution	-	-	2,957	(2,957)
	\$ (23,625)	\$ 12,226	\$ 14,356	\$ (2,957)

BC CANCER FOUNDATION

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

Year ended March 31, 2024

9. Interfund transfers (continued):

2023	Unrestricted Fund	Internally Restricted Fund	Externally Restricted Fund	Endowment Fund
Sundry grants transferred to Externally Restricted Fund	\$ (748)	\$ -	\$ 748	\$ -
Approved transfer from Unrestricted Fund to Internally Restricted Fund	(8,000)	8,000	-	-
Approved transfer from Internally Restricted Fund to Externally Restricted Fund for support provided to BC Cancer	-	(8,934)	8,934	-
Approved Endowment distribution	-	-	2,781	(2,781)
Approved collapse of one endowment fund	-	-	138	(138)
	\$ (8,748)	\$ (934)	\$ 12,601	\$ (2,919)

10. Credit facilities:

As at March 31, 2024, the Foundation has four credit facilities available with the Bank of Montreal ("BMO") 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 \$390 to allow the Foundation to purchase forward exchange contracts. The \$390 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, 2024 and 2023.

11. Charitable events:

	2024	2023
Charitable events revenue	\$ 8,259	\$ 7,296
Charitable event costs (note 12)	(2,841)	(1,357)
	\$ 5,418	\$ 5,939

Included in the above amounts are revenues of \$1,040 (2023 - \$1,061) and expenses of \$554 (2023 - \$478), 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, 2025.

BC CANCER FOUNDATION

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

Year ended March 31, 2024

12. Direct fundraising costs:

	2024	2023
Charitable event costs (note 11)	\$ 2,841	\$ 1,357
External fundraising costs	2,197	2,466
Internal direct fundraising costs	7,356	6,152
	\$ 12,394	\$ 9,975

13. Financial risks:

(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 2023.

(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. Cash is substantially held at one Canadian chartered bank. 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 2023.

(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 money market funds, bonds and fixed income fund, 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 2023.

(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 funds, commercial mortgage fund, private debt fund, real estate fund, and infrastructure fund (note 5) which are subject to risks arising from changes in market conditions and general market fluctuations. There has been no significant change to this risk from 2023.

BC CANCER FOUNDATION

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

Year ended March 31, 2024

13. Financial risks (continued):

(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. There has been no significant change to this risk from 2023.

14. 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 240,000 active members and approximately 120,000 retired members. Active members include 89 (2023 - 89) 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, 2021 indicated a \$3,761,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

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 \$769 (2023 - \$617) for employer contributions to the Plan in fiscal 2024.

15. Remuneration of directors, employees and contractors:

- (a) During the year, the Foundation paid \$5,807 (2023 - \$4,726) to 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, 2024

16. 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 had 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. As at March 31, 2024, Friends had no significant assets or liabilities. During the year, the Foundation received grants of \$75 (2023 - \$100) 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.

17. Related party transactions:

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