



Financial Statements

Stand Up to Cancer Canada

December 31, 2023

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# Independent auditor's report

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To the Members of  
**Stand Up To Cancer Canada**

## Opinion

We have audited the financial statements of Stand Up To Cancer Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stand Up To Cancer Canada as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of matter – cessation of operations

We draw your attention to Note 2 in the financial statements, which describes that the Board of Directors of the Organization resolved to cease operations of the Organization as of December 31, 2024 and wind up the Organization thereafter. As a result, the Organization is not a going concern, and the Organization's financial statements have been prepared on a liquidation basis of accounting. Our conclusion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada  
June 26, 2024

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# Stand Up To Cancer Canada

## Statement of Financial Position

December 31

2023

2022

**Assets**

## Current

Cash	\$ 748,631	\$ 1,204,705
Receivables (Note 4)	181,576	67,720
HST receivable	9,080	7,300
Prepaid expenses	<u>3,902</u>	<u>3,612</u>
	<b>\$ 943,189</b>	<b>\$ 1,283,337</b>

**Liabilities**

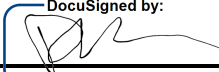
## Current

Accounts payable and accrued liabilities (Note 5)	\$ 72,460	\$ 75,707
Grants payable (Note 6)	<u>43,602</u>	<u>38,845</u>
	<b>116,062</b>	<b>114,552</b>

**Net assets**

Externally restricted funds (Note 8)	697,162	1,121,857
Unrestricted	<u>129,965</u>	<u>46,928</u>
	<b>827,127</b>	<b>1,168,785</b>
	<b>\$ 943,189</b>	<b>\$ 1,283,337</b>

On behalf of the Board

DocuSigned by:  
  
 4D050DB88131447... Director

DocuSigned by:  
  
 9DA574E5B6FF476... Director

# Stand Up To Cancer Canada

## Statement of Operations

Year ended December 31

	Unrestricted operating fund	Externally restricted funds	2023	2022
<b>Revenue</b>				
Corporate and foundation donations	\$ 54,213	\$ -	\$ 54,213	\$ 428,846
Public donations	199,291	-	199,291	25,729
Other income	<u>45,231</u>	<u>-</u>	<u>45,231</u>	<u>28,889</u>
<b>Total revenue</b>	<u>298,735</u>	<u>-</u>	<u>298,735</u>	<u>483,464</u>
<b>Expenditures</b>				
Mission – expenditures				
Grants programs	-	424,695	424,695	232,915
Refund of contribution related to research project (Note 7)	-	-	-	1,500,000
Public awareness and education	<u>52,927</u>	<u>-</u>	<u>52,927</u>	<u>31,770</u>
	<u>52,927</u>	<u>424,695</u>	<u>477,622</u>	<u>1,764,685</u>
<b>Supporting expenditures</b>				
Management and general admin	159,429	-	159,429	127,656
Foreign exchange loss	<u>3,342</u>	<u>-</u>	<u>3,342</u>	<u>3,056</u>
	<u>162,771</u>	<u>-</u>	<u>162,771</u>	<u>130,712</u>
<b>Total expenditures</b>	<u>215,697</u>	<u>424,695</u>	<u>640,393</u>	<u>1,895,397</u>
<b>Excess of expenditures over revenue</b>	<u>\$ 83,037</u>	<u>\$ (424,695)</u>	<u>\$ (341,658)</u>	<u>\$ (1,411,933)</u>

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## Stand Up To Cancer Canada

### Statement of Changes in Net Assets

Year ended December 31

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	Externally restricted funds	Unrestricted operating fund	<b>2023</b>	2022
Net assets, January 1, 2023	\$ 1,121,857	\$ 46,928	<b>\$ 1,168,785</b>	\$ 2,580,718
Excess of expenditures over revenue	<u>(424,695)</u>	<u>83,037</u>	<b><u>(341,658)</u></b>	<u>(1,411,933)</u>
<b>Net assets, December 31, 2023</b>	<b><u>\$ 697,162</u></b>	<b><u>\$ 129,965</u></b>	<b><u>\$ 827,127</u></b>	<b><u>\$ 1,168,785</u></b>

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## Stand Up To Cancer Canada Statement of Cash Flows

Year ended December 31

**2023****2022**

Increase (decrease) in cash

**Operating activities**Excess of expenditures over revenue **\$ (341,658)** \$ (1,411,933)

Changes in non-cash working capital items:

Contributions and pledges receivable **(113,856)** 121,325Other accounts receivable **(1,780)** 1,441Prepaid expenses **(290)** (147)Accounts payable and accrued liabilities **(3,247)** 14,281Grants payable **4,757** (448,619)**(114,416)** (311,719)Cash used in operating activities and net decrease in cash **(456,074)** (1,723,652)Cash - beginning of year **1,204,705** 2,928,357Cash - end of year **\$ 748,631** **\$ 1,204,705**



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# Stand Up To Cancer Canada

## Notes to the Financial Statements

December 31, 2023

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### 1. Nature of operations

Stand Up to Cancer Canada (the "Organization" or "SU2C Canada") was incorporated without share capital under the Canada Not-for-profit Corporations Act on July 12, 2013, received charitable status on February 25, 2014 and commenced operations effective February 18, 2014. The Organization is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

The Organization's main initiative is Stand Up To Cancer which raises funds for collaborative cancer research, largely through a biennial televised event carried by all the major networks in Canada. In 2015, Stand Up To Cancer began funding scientists at major institutions who will collaborate to develop new and promising cancer treatments for patients at a faster pace.

Grants funded by the Organization are supplemented, and as a result, made more impactful by additional funding made by Canadian federal and provincial government health agencies. The government funding is typically paid directly to the institution conducting the scientific research identified and vetted by SU2C Canada and as a result is not recorded by the organization. Understanding of the collaborative funding between SU2C Canada and the government agencies is necessary to comprehend the scope, breadth and full impact of the SU2C Canada's operations.

SU2C Canada and The Entertainment Industry Foundation in the USA ("EIF") collaborate in mobilizing and leveraging the powerful voice and creative talents of the entertainment industry, as well as cultivating the support of organizations (public and private) and philanthropists committed to social reasonability. EIF is the sole founding member of SU2C. SU2C Canada seeks to build awareness, raise funds, and to develop and enhance programs on the local, national and global level that will have a positive impact and generate social change.

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### 2. Cessation of operations

In 2021, the Organization began to generate an excess of expenditures over revenues due to a significant decrease in corporate and foundation donations. As a result, subsequent to the year end, the Board of Directors resolved to cease operations effective December 31, 2024 and subsequently dissolve the Organization as the program is no longer sustainable.

As a result, the Organization is not a going concern, and the financial statements have been prepared on a liquidation basis of accounting. There has been no impact on the recognition or measurement of assets and liabilities as at December 31, 2023 as a result of this determination. The restricted net assets of \$697,162 will be granted out for cancer research in line with the publicly disclosed restrictions and, subsequent to December 31, 2023, have been reclassified as current liabilities.

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### 3. Significant accounting policies

#### Basis of preparation

The Organization follows accounting policies that conform with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The following is a summary of significant accounting policies adopted by the Organization in preparation of the financial statements.

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# **Stand Up To Cancer Canada**

## **Notes to the Financial Statements**

December 31, 2023

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### **3. Significant accounting policies (continued)**

#### **Fund accounting**

The Organization follows the restricted fund method of accounting for contributions.

The externally restricted funds (Note 8) account for the receipt and expenditure of resources externally restricted by donors to be spent on cancer research in the areas of breast cancer research, pancreatic cancer research and music as healing.

The unrestricted fund, accounts for the Organization's unrestricted revenue and expenditures for research, programs and advocacy, fundraising and administration activities.

#### **Revenue and expenditures**

##### **(i) Revenue:**

##### **Stand Up To Cancer Telethon**

Revenue from donations is recognized when received or receivable. The Organization accrues amounts not yet received if all deliverables under contracts have been completed, amounts are measurable, and ultimate collection is reasonably assured.

Direct fundraising expenditures are costs incurred in the generation of Stand Up To Cancer Telethon revenue to provide the means to further the Organization's mission.

##### **(ii) Expenditures:**

Expenditures are charged to mission expenditures priorities, which include research programs, advocacy, as well as direct and indirect fundraising and for administration according to the activity that they benefit. Certain expenditures benefit more than one category and, accordingly, are attributed to the relevant categories. Expenditures are allocated proportionately based on estimates of time expended.

##### **Grants Programs:**

Grants program includes research funding and the costs of supporting research programs. Grants program funding (projects, personnel and research team costs) focuses on the advancement of knowledge in the eradication of cancer.

Grants may be awarded, and contracts entered into, for a period covering more than one fiscal year. The statement of operations reflects only that portion of grants or contracts payable during the current fiscal year.

##### **Public Awareness and Education:**

Public awareness and education expenditures include public service announcements that further the mission of the Organization. Such expenditures may be co-branded with other major donors and often include a volunteer celebrity ambassador.

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# Stand Up To Cancer Canada

## Notes to the Financial Statements

December 31, 2023

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### 3. Significant accounting policies (continued)

#### Revenue and expenditures (continued)

##### Management, General and Administration:

Management, general and administration expenditures are incurred to operate the Organization and its programs in a cost-effective manner while maximizing all opportunities to further the Organization's mission. The Organization allocates certain of its general support expenditures to the mission priorities or to fundraising. These expenses are allocated proportionately based on estimates of time expended over each component expenditure. Corporate governance expenditures, including corporate level strategic planning and budgeting, regulatory reporting and compliance and corporate financial reporting are not allocated.

##### Financial instruments

###### Financial instruments in arm's length transactions

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash
- Receivable
- Accounts payable
- Grants payable

The Organization's financial instruments are measured at fair value when acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and changes in fair market value relating to the financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in the active market, which must be measured at fair value. The financial instruments measured at amortized cost are cash, contributions and pledges and other accounts receivable, accounts payables and accrued liabilities, and grants payable.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial assets, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the operations in the year the reversal occurs.

###### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. SU2C does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

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# Stand Up To Cancer Canada

## Notes to the Financial Statements

December 31, 2023

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### 3. Significant accounting policies (continued)

#### Financial instruments (continued)

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how SU2C initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which SU2C has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### Commitments

Grants for research may be awarded for a period covering more than one fiscal year, subject to available funding and grantees meeting certain performance criteria. The statement of financial position reflects only that portion of grants payable during the current fiscal year.

#### Donated media

Donated services received by way of gifts-in-kind are recorded in the financial statements at their fair value when the amount can be reasonably estimated and when the services are used in the normal course of the Organization's operations and would otherwise have been purchased.

#### Use of estimates

The preparation of financial statements in accordance with Accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

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### 4. Receivables

	<u>2023</u>	<u>2022</u>
Grant from Entertainment Industry Foundation	\$ -	\$ 67,720
Receivable from overpayment	<u>181,576</u>	<u>-</u>
	<u>\$ 181,576</u>	<u>\$ 67,720</u>

# Stand Up To Cancer Canada

## Notes to the Financial Statements

December 31, 2023

### 5. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Accounts payable trade	\$ 7,294	\$ 15,707
Payable to Entertainment Industry Foundation	18,406	15,000
Accrued liabilities	<u>46,760</u>	<u>45,000</u>
	<u>\$ 72,460</u>	<u>\$ 75,707</u>

SU2C Canada has a relationship with EIF in that there are certain directors of SU2C Canada that are officers of EIF, therefore EIF and SU2C Canada are considered related parties and the transactions between the two organizations are considered related party transactions for accounting purposes. EIF and SU2C Canada have entered into a Services Agreement pursuant to which EIF provides certain management services to SU2C Canada. During fiscal 2023, \$86,420 (2022 - \$58,683) was expensed and included in management and general admin expenditures in the statement of operations.

Amounts due to/from EIF are as follows:

	<u>2023</u>	<u>2022</u>
Receivable from EIF	\$ -	\$ 67,720
Payable to EIF	<u>\$ 18,406</u>	<u>\$ 15,000</u>

Amounts due to EIF are unsecured, non-interest bearing and are repayable on demand in US dollars.

### 6. Grants payable

SU2C Canada provides grants to AACR International – Canada (“AACR”), a third party, for the grant amounts due from AACR to the Stem Cell and Breast Cancer Dream Teams and for the administrative amounts expended by AACR Canada in connection with the Dream Team Grants.

At December 31, 2023, SU2C Canada accrued \$43,602 (2022 - \$38,845) for the administrative support services.

### 7. Refund of contribution related to research project

In 2022, the Organization entered into a refund agreement with the Canadian Cancer Society (“CCS”) in the amount of \$1,500,000. The Organization had an agreement with CCS that commenced in 2018 whereby CCS paid \$4,000,000 to the Organization over a period of four years. The amount was accordingly recorded as revenue over the period of four years (2018-2021) and the project was expected to be completed in 2022, which is in line with the Organization’s accounting policy. However, the project was discontinued in 2022 before its completion and the Organization was required to refund the unused funds to CCS, as per the terms of the original agreement.

# Stand Up To Cancer Canada

## Notes to the Financial Statements

December 31, 2023

### 8. Externally restricted funds

Externally restricted resources represent donations made by major donors to be expended for cancer research as follows:

	Balance December 31, 2022	Revenue	Expenses	Transfers In (Out)	Balance December 31, 2023
Breast cancer research	\$ 845,330	\$ -	\$ (424,695)	\$ -	\$ 420,635
Pancreatic cancer research	274,126	-	-	-	274,126
Music as Healing	2,401	-	-	-	2,401
	<u>\$ 1,121,857</u>	<u>\$ -</u>	<u>\$ (424,695)</u>	<u>\$ -</u>	<u>\$ 697,162</u>

### 9. Allocation of time expenditures

Expenditures are incurred to support functional areas and are allocated to mission expenditures and supporting expenditures based on estimates of time expended:

	<u>2023</u>	<u>2022</u>
To Mission expenditures:		
Public awareness and education	32%	61%
To Supporting expenditures:		
Management, general and administrative	68%	39%

### 10. Financial instruments

The Organization's main financial instruments risk exposure is detailed as follows:

#### Credit Risk

The Organization is subject to credit risk through receivables. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's management does not expect any financial loss on receivable balance, as material amounts have been collected subsequent to period end.

Accounts receivable are presented net of allowance for doubtful accounts of \$Nil (2022 - \$Nil).

#### Liquidity Risk

Liquidity risk is the risk that the Organization may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. It is management's opinion that the Organization is not exposed to significant liquidity risk arising from its financial instruments. The Organization has sufficient funds through the date of eventual dissolution to fully pay all outstanding financial liabilities.

#### Market and Foreign Currency Risk

Market risk is the risk that changes in market interest rates, foreign currency values or other changes in the market prices will affect the value of the financial instruments or their related cash flows. The Organization is exposed to foreign currency risk with respect to its commitments to pay EIF, as the commitment is denominated in US dollars; therefore, the carrying value of the liability may change due to the fluctuations in the foreign exchange rate.

As at December 31, 2023, amounts due to EIF of \$13,917 (2022 - \$11,075) and due from EIF of \$Nil (2022 - \$50,000) are denominated in US dollars.