



Financial Statements

Stand Up to Cancer Canada

December 31, 2022

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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, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stand Up To Cancer Canada as at December 31, 2022, 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.

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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization'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 the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
June 28, 2023

Chartered Professional Accountants
Licensed Public Accountants

Stand Up To Cancer Canada

Statement of Financial Position

December 31

2022

2021

Assets

Current

Cash	\$ 1,204,705	\$ 2,928,357
Contributions and pledges receivable (Note 3)	67,720	189,045
Other accounts receivable	7,300	8,742
Prepaid expenses	<u>3,612</u>	<u>3,464</u>
	\$ 1,283,337	\$ 3,129,608

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	\$ 75,707	\$ 61,426
Grants payable (Note 5)	<u>38,845</u>	<u>487,464</u>
	114,552	548,890

Net assets

Externally restricted funds (Note 7)	1,121,857	2,493,646
Unrestricted	<u>46,928</u>	<u>87,072</u>
	1,168,785	2,580,718
	\$ 1,283,337	\$ 3,129,608

On behalf of the Board

DocuSigned by:

Doug Smith

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Director

DocuSigned by:

Russell Chew

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Director

Stand Up To Cancer Canada

Statement of Operations

Year ended December 31

	Unrestricted operating fund	Externally restricted funds	2022	2021
Revenue				
Corporate and foundation donations	\$ 67,720	\$ 361,126	\$ 428,846	\$ 189,045
Public donations	25,729	-	25,729	172,034
Donated media – public awareness	-	-	-	4,820,728
Other income	28,889	-	28,889	14,617
Total revenue	<u>122,338</u>	<u>361,126</u>	<u>483,464</u>	<u>5,196,424</u>
Expenditures				
Mission – expenditures				
Grants programs	-	232,915	232,915	847,390
Refund of contribution related to research project (Note 6)	-	1,500,000	1,500,000	-
Donated media – public awareness	-	-	-	4,820,728
Public awareness and education	31,770	-	31,770	86,874
	<u>31,770</u>	<u>1,732,915</u>	<u>1,764,685</u>	<u>5,754,992</u>
Supporting expenditures				
Management and general admin	127,656	-	127,656	94,187
Foreign exchange loss	3,056	-	3,056	-
	<u>130,712</u>	<u>-</u>	<u>130,712</u>	<u>94,187</u>
Total expenditures	<u>162,482</u>	<u>1,732,915</u>	<u>1,895,397</u>	<u>5,849,179</u>
Excess of expenditures over revenue	<u>\$ (40,144)</u>	<u>\$ (1,371,789)</u>	<u>\$ (1,411,933)</u>	<u>\$ (652,755)</u>

See accompanying notes to the financial statements.

Stand Up To Cancer Canada

Statement of Changes in Net Assets

Year ended December 31

	Externally restricted funds	Unrestricted operating fund	2022	2021
Net assets, January 1, 2022	\$ 2,493,646	\$ 87,072	\$ 2,580,718	\$ 3,233,473
Excess of expenditures over revenue	<u>(1,371,789)</u>	<u>(40,144)</u>	<u>(1,411,933)</u>	<u>(652,755)</u>
Net assets, December 31, 2022	<u>\$ 1,121,857</u>	<u>\$ 46,928</u>	<u>\$ 1,168,785</u>	<u>\$ 2,580,718</u>

Stand Up To Cancer Canada Statement of Cash Flows

Year ended December 31

2022

2021

Increase (decrease) in cash

Operating activities

Excess of expenditures over revenue	\$(1,411,933)	\$ (652,755)
Changes in non-cash working capital items:		
Contributions and pledges receivable	121,325	1,560,955
Other accounts receivable	1,441	632
Prepaid expenses	(147)	48
Accounts payable and accrued liabilities	14,281	(38,082)
Grants payable	(448,619)	(264,995)
Net cash from operating activities	(311,719)	1,258,558
Net (decrease) increase in cash	(1,723,652)	605,803
Cash - beginning of year	<u>2,928,357</u>	<u>2,322,554</u>
Cash - end of year	<u>\$ 1,204,705</u>	<u>\$ 2,928,357</u>

Stand Up To Cancer Canada

Notes to the Financial Statements

December 31, 2022

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. 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.

2. 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.

Fund accounting

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

The externally restricted funds (Note 6) account for the receipt and expenditure of resources externally restricted by donors to be spent on cancer research.

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

Stand Up To Cancer Canada

Notes to Financial Statements

December 31, 2022

2. Significant accounting policies (continued)

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.

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.

Stand Up To Cancer Canada

Notes to Financial Statements

December 31, 2022

2. Significant accounting policies (continued)

Financial instruments

Initial measurement

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.

Subsequent measurement

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 payable and accrued liabilities and due to Entertainment Industry Foundation. The financial instruments measured at fair value are any investments.

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.

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 activities reflects only that portion of grants payable during the current fiscal year.

Grants payable represents amounts payable upon receipt of financial reports, various certificates and actual invoices.

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

In preparing the Organizations financial statements, management is required 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Stand Up To Cancer Canada Notes to Financial Statements

December 31, 2022

3. Contributions and pledges receivable

	<u>2022</u>	<u>2021</u>
Grant from Entertainment Industry Foundation	<u>\$ 67,720</u>	<u>\$ 189,045</u>
	<u>\$ 67,720</u>	<u>\$ 189,045</u>

4. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Accounts payable trade	<u>\$ 15,707</u>	<u>\$ 12,033</u>
Payable to Entertainment Industry Foundation	<u>15,000</u>	<u>5,593</u>
Accrued liabilities	<u>45,000</u>	<u>43,800</u>
	<u>\$ 75,707</u>	<u>\$ 61,426</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 services to SU2C Canada.

Amounts due to/from EIF are as follows:

	<u>2022</u>	<u>2021</u>
Receivable from EIF	<u>\$ 67,720</u>	<u>\$ 189,045</u>
Payable to EIF	<u>\$ 15,000</u>	<u>\$ 5,593</u>

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

5. Grants payable

SU2C Canada provides grants to AACR International – Canada (“AACR”), a third party, for the grant amounts due from AACR to the SU2C 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, 2022, SU2C Canada accrued \$nil (2021 - \$487,464) to AACR in support of breast cancer and stem cell research and accrued \$38,845 (2021 - \$49,352) for the administrative support services.

6. Refund of contribution related to research project

During the year 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) as 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 Financial Statements
December 31, 2022

Stand Up To Cancer Canada

Notes to Financial Statements

December 31, 2022

7. Externally restricted funds

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

	Balance December 31, 2021	Revenue	Expenses	Transfers In (Out)	Balance December 31, 2022
Breast cancer research	\$ 2,565,751	\$ -	\$ (1,720,421)	\$ -	\$ 845,330
Pancreatic cancer research	(72,105)	346,231	-	-	274,126
Music as Healing	-	14,895	(12,494)	-	2,401
	<u>\$ 2,493,646</u>	<u>\$ 361,126</u>	<u>\$ (1,732,915)</u>	<u>\$ -</u>	<u>\$ 1,121,857</u>

8. 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>2022</u>	<u>2021</u>
To Mission expenditures:		
Public awareness and education	61%	68%
To Supporting expenditures:		
Management, general and administrative	39%	32%

9. 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 (2021 - \$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.

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, 2022, amounts due to EIF of \$11,075 (2021 - \$4,403) and due from EIF of \$50,000 (2021 - \$148,835) are denominated in US dollars.