

Melanoma Canada
Financial Statements
For the year ended December 31, 2022

Contents	Page
----------	------

Independent Auditors' Report

Financial Statements

Statement of Financial Position	1 - 2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 9

To the Directors of
Melanoma Canada

Independent Auditors' Report

Qualified Opinion

We have audited the accompanying financial statements of Melanoma 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 a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Melanoma 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenues from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to revenue, and excess of revenues over expenditures for the period ended December 31, 2022 and net assets as at December 31, 2022.

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 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 qualified 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 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.

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 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 Auditing Standards (CASs), 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.

February 20, 2023
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Melanoma Canada
Statement of Financial Position
December 31, 2022

Assets		
	2022	2021
Current assets		
Cash and cash equivalents	\$ 117,939	\$ 20,171
Restricted cash (Note 6)	242,214	215,854
Investment in guaranteed investment certificate (Note 3)	537,886	757,671
Accounts receivable	1,629	50,170
Prepays and deposits	43,099	90,601
H.S.T recoverable	28,997	16,472
	971,764	1,150,939
Long-term investment (Note 3)	208,633	-
Capital assets (Note 5)	117,955	2,884
Intangible assets	4,589	4,589
	\$ 1,302,941	\$ 1,158,412

Approved on Behalf of the Board

 Directors

 Directors

The accompanying notes are an integral part of the financial statements.



Liabilities			
	2022		2021
Current liabilities			
Accounts payable and accrued liabilities	\$ 37,306	\$	63,254
Deferred revenue (Note 6)	242,214		215,854
	279,520		279,108
Deferred capital contribution	28,267		126
	\$ 307,787	\$	279,234
Net Assets			
Unrestricted	\$ 995,154	\$	879,178
	995,154		879,178
	\$ 1,302,941	\$	1,158,412

The accompanying notes are an integral part of the financial statements.



Melanoma Canada

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2022

	2022	2021 (Note 12)
Revenue		
Corporate contributions	\$ 424,225	\$ 431,047
Fundraising events and donations	592,996	436,190
General donations	91,234	86,494
Interest income	9,199	2,456
	1,117,654	956,187
Expenditures		
Amortization	8,395	6,019
Automobile, travel and conferences	6,311	1,000
Donation processing fees	8,732	5,442
Education and public awareness	544,382	447,396
Fundraising materials, media and venues	309,136	196,480
Insurance	2,686	2,465
Office and general	61,321	79,369
Professional fees	33,528	32,960
Rent	28,183	27,937
Website	7,381	11,845
	1,010,055	810,913
Excess before other income	107,599	145,274
Government Assistance (Note 9)	8,377	58,256
Net excess of revenue over expenditures	115,976	203,530
Net assets, beginning of year	879,178	675,648
Net assets, end of year	\$ 995,154	\$ 879,178

The accompanying notes are an integral part of the financial statements.



Melanoma Canada

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
Cash flows from operating activities		
Net excess of revenue over expenditures	\$ 115,976	\$ 203,530
Amounts not involving cash		
Amortization of capital assets	8,395	6,019
Accrued investment income	(9,198)	(2,456)
	115,173	207,093
Net change in accounts receivable	48,541	(29,736)
Net change in accounts payable and accrued liabilities	(25,948)	27,519
Net change in deferred revenues	26,360	82,831
Net change in prepaids and deposits	47,502	(68,071)
Net change in H.S.T. recoverable	(12,525)	(3,709)
	199,103	215,927
Cash flows from investing activities		
Deferred capital contributions	28,141	(1,508)
Purchase of capital assets	(123,466)	(1,367)
Purchase of intangible assets	-	(4,589)
Redemption of guaranteed investment certificates	758,230	358,048
Purchase of guaranteed investment certificates	(737,880)	(755,908)
	(74,975)	(405,324)
Net increase (decrease) in cash and cash equivalents	124,128	(189,397)
Cash and cash equivalents, beginning of year	236,025	425,422
Cash and cash equivalents, end of year	\$ 360,153	\$ 236,025
Cash and cash equivalents consist of:		
Bank	\$ 117,939	\$ 20,171
Restricted cash	242,214	215,854
	\$ 360,153	\$ 236,025

The accompanying notes are an integral part of the financial statements.



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2022

1. Nature of organization

Melanoma Canada (formerly the Melanoma Network of Canada and the "Organization") is a national, patient-led charitable organization whose primary objective is to support individuals whose lives have been changed by melanoma and skin cancer. The Organization is advancing the prevention, early-detection, treatment and care of melanoma and skin cancer through awareness initiatives, advocacy and education programs for patients, caregivers, and physicians.

Melanoma Canada is the united voice of the skin cancer community. The Organization is incorporated under the Canada Not-For-Profit Corporations Act as a not-for-profit organization without share capital and is a registered charity under the Income Tax Act.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash includes cash on hand and balances with banks.

Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, restricted cash, investment in guaranteed investment certificate and accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

Capital assets

Capital assets are recorded at cost. Amortization is provided as follows:

Computer equipment	3 year straight-line
Furniture and fixtures	5 year straight-line
Vehicles	30% declining balance
Website Development	5 year straight-line

Intangible assets

Intangible assets with indefinite useful lives are not amortized and are tested for impairment when an event or circumstance indicates a potential impairment. When the carrying amount of the intangible assets exceeds its fair value, an impairment charge is recognized by the excess and is reported as a separate line item in the income statement.



2. Significant accounting policies (cont'd.)

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Deferred revenue

Deferred revenue represents contributions and other funding received which have not yet been used for their specified purpose.

Deferred capital contributions

Deferred capital contribution represents contributions and other funding received restricted for the purchase of capital assets. Such contributions will be recognized as revenue over the useful life of the acquired capital asset.

Contributed services

Volunteers contribute a significant number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Income taxes

The Organization is registered under the Income Tax Act (the "Act") as a charitable organization and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements of the Act. In the opinion of management, these requirements have been met.

Allocation of expenses

The Organization allocates salaries and benefits by estimating the total percentage by position that is attributable to the applicable education program or fundraising event.

Government Assistance

The Organization recognizes government assistance when amounts are determinable and collection is reasonably assured. Government assistance received towards current expenses or revenues are included in the determination of net income for the period, as other income, while government assistance received towards capital expenditures are amortized in income over the useful life of the related capital expenditures.



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2022

2. Significant accounting policies (cont'd.)

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 the reported amounts of revenues and expense during the period. Actual results could differ from those estimates.

3. Investments

The Organization owned several guaranteed investment certificates (GICs) as of year-end. Depending on the maturity date, The GICs are categorized as short-term investments and long-term investments. The short-term investments consist of certain GICs earning interest ranging from 0.75% to 3%, maturing by Oct 2023. The long-term investments consist of certain GICs earning interest at 3.25%, maturing in June 2024.

4. Related party transactions

During the year, the Organization reimbursed Directors for expenses incurred on behalf of the Organization which amounted to \$12,412 (2021 - \$6,523). These expenses are part of Office and general expenses. These transactions were recorded in the normal course of operations and have been recorded at their exchange amount.

5. Capital assets

	Cost	Accumulated Amortization	2022	2021
Computer equipment	\$ 23,318	\$ 17,091	\$ 6,227	\$ 1,609
Furniture and fixtures	5,600	4,598	1,002	1,275
Vehicles	28,267	-	28,267	-
Website Development	88,349	5,890	82,459	-
	<u>\$ 145,534</u>	<u>\$ 27,579</u>	<u>\$ 117,955</u>	<u>\$ 2,884</u>



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2022

6. Deferred revenue

	2022	2021
7 Summit Snowshoe Challenge	\$ 5,000	\$ 62,273
Mobile Skin Cancer Screening Unit	81,733	-
Patient Education and Awareness	146,260	153,581
Youth Education Programs	9,221	-
	<u>\$ 242,214</u>	<u>\$ 215,854</u>

During the year, the Organization received funding for the above projects that are restricted for use towards these special projects. This funding has been deferred as it has been received but has not yet been used for the specified purpose.

7. Deferred Capital Contribution

	2022	2021
Deferred capital contribution, January 1	\$ 126	\$ 1,634
Capital contributions received	28,267	-
Amortization of deferred capital contribution	(126)	(1,508)
	<u>\$ 28,267</u>	<u>\$ 126</u>

8. Operating lease commitments

The Organization is committed under an operating lease expiring August 31, 2026. Future minimum payments for operating leases that have initial or remaining terms of one year or more consist of the following amounts:

2023	\$ 22,400
2024	24,000
2025	24,000
2026	16,000
	<u>\$ 86,400</u>

9. Government assistance

Included as income in the current period the Organization recognized government assistance in the form of the Canada Summer Jobs grant totalling \$8,377 (2021- \$8,883).

Included as income in the previous period the Organization recognized government assistance in the form of the Canada Emergency Wage Subsidy (CEWS) totalling \$44,806, and Canada Emergency Rent Subsidy (CERS) totalling \$4,567; both \$nil in the current year.



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2022

10. Allocation of expenses

Salaries and wages expense of \$444,189 (2021 - \$395,859) have been allocated as follows:

	2022	2021
Core operations	\$ 50,848	\$ 52,543
Fundraising	82,889	86,057
Education	310,452	257,259
	<hr/> \$ 444,189	<hr/> \$ 395,859

11. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, investment in guaranteed investment certificate and accounts payable and accrued liabilities.

Liquidity risk

The Organization's exposure to liquidity risk is dependent on the collection of accounts and funding receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Organization manages liquidity risk by management of working capital, and cash flows.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, interest, market, or currency risks.

12. Comparative information

The comparative figures for 2021 have been reclassified where necessary to conform with the 2022 financial statement presentation.

