

Melanoma Network of Canada

Financial Statements

For the year ended December 31, 2017

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To the Directors of
Melanoma Network of Canada

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Melanoma Network of Canada, which comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Network 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 Network 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, 2017 and assets and net assets as at December 31, 2017.



Qualified Opinion

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 Network of Canada as at December 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

March 28, 2018
Burlington, Ontario

SB Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Melanoma Network of Canada
Statement of Financial Position
December 31, 2017

Assets		
	2017	2016
Current assets		
Cash and cash equivalents	\$ 223,625	\$ 56,841
Restricted cash (Note 4)	35,000	-
Investment in guaranteed investment certificate	352,378	401,857
Accounts receivable	10,204	-
Prepays and deposits	4,735	5,450
H.S.T recoverable	9,601	10,671
	635,543	474,819
Capital assets (Note 3)	4,216	-
	\$ 639,759	\$ 474,819

Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 38,465	\$ 30,033
Deferred revenue (Note 4)	35,000	-
	\$ 73,465	\$ 30,033

Net Assets		
Unrestricted	\$ 566,294	\$ 444,786
	566,294	444,786
	\$ 639,759	\$ 474,819

Approved on Behalf of the Board

Directors

Directors

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



Melanoma Network of Canada
Statement of Changes in Net Assets
Year Ended December 31, 2017

	Unrestricted		
		2017	2016
Balance, beginning of year	\$ 444,786	\$ 444,786	\$ 333,651
Net excess of revenue over expenditures	121,508	121,508	111,135
Balance, end of year	\$ 566,294	\$ 566,294	\$ 444,786

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



Melanoma Network of Canada

Statement of Operations

Year Ended December 31, 2017

	2017	2016
Revenue		
Corporate contributions	\$ 230,592	\$ 255,000
Fundraising events and donations	421,030	332,246
General donations	93,439	94,166
Interest income	3,045	2,702
	<hr/> 748,106	<hr/> 684,114
Expenditures		
Amortization	1,262	-
Automobile, travel and conferences	16,714	12,713
Donation processing fees	4,953	7,097
Education and public awareness	273,225	271,352
Fundraising materials, media and venues	205,179	166,959
Insurance	3,687	3,506
Office and general	52,037	22,703
Professional fees	30,053	25,067
Rent	24,842	24,494
Research grant	2,083	27,500
Website	12,563	11,588
	<hr/> 626,598	<hr/> 572,979
Net excess of revenue over expenditures	\$ 121,508	\$ 111,135

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



Melanoma Network of Canada

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
Cash flows from operating activities		
Net excess of revenue over expenditures	\$ 121,508	\$ 111,135
Amounts not involving cash		
Amortization of capital assets	1,262	-
Accrued investment income	(521)	(83)
	122,249	111,052
Net change in accounts receivable	(10,204)	-
Net change in accounts payable and accrued liabilities	8,432	5,030
Net change in deferred revenues	35,000	(60,000)
Net change in prepaids and deposits	715	1,641
Net change in H.S.T. recoverable	1,070	9,394
Cash flows from operating activities	157,262	67,117
Cash flows from investing activities		
Purchase of capital assets	(5,478)	-
Redemption of guaranteed investment certificates	401,485	301,485
Purchase of guaranteed investment certificates	(351,485)	(441,485)
Cash flows from (used in) investing activities	44,522	(140,000)
Net increase (decrease) in cash and cash equivalents	201,784	(72,883)
Cash and cash equivalents, beginning of year	56,841	129,724
Cash and cash equivalents, end of year	\$ 258,625	\$ 56,841
Cash and cash equivalents consist of:		
Bank	\$ 223,625	\$ 56,841
Restricted cash	35,000	-
	\$ 258,625	\$ 56,841

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



Melanoma Network of Canada

Notes to Financial Statements

Year Ended December 31, 2017

1. Nature of organization

Melanoma Network of Canada (the "Network") is a charitable organization whose primary objective is to support individuals whose lives have been changed by melanoma. The Network is advancing the prevention of melanoma through advocacy and education. The Network is a national, patient-led organization whose vision is to increase Canadian's awareness of melanoma, a potentially life-threatening skin cancer, and its' prevention through education, advocacy and research; to support melanoma patients, caregivers and medical professionals through current and coordinated information and services; to create a national network advocating for additional treatment options and a united voice for patients with melanoma. The Network 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 Network'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

Revenue recognition

The Network 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.

Deferred revenue

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



Melanoma Network of Canada

Notes to Financial Statements

Year Ended December 31, 2017

2. Significant accounting policies (cont'd.)

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 Network 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 Network must meet certain requirements of the Act. In the opinion of management, these requirements have been met.

Allocation of expenses

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

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. Capital assets

	Cost	Accumulated Amortization	2017	2016
Computer equipment	\$ 1,245	\$ 415	\$ 830	\$ -
Furniture and fixtures	4,233	847	3,386	-
	<u>\$ 5,478</u>	<u>\$ 1,262</u>	<u>\$ 4,216</u>	<u>\$ -</u>

4. Deferred revenue

	2017	2016
Sun Safety Council	\$ 25,000	\$ -
Booklets	10,000	-
	<u>\$ 35,000</u>	<u>\$ -</u>

During the year, the Network received funding of \$25,000 and \$10,000 that is restricted for the use towards certain special projects. This funding has been deferred as it has been received but has not yet been used for the specified purpose.



Melanoma Network of Canada

Notes to Financial Statements

Year Ended December 31, 2017

5. Commitments

The Network entered into an agreement to lease office space up until July 31, 2018. The Network has a remaining commitment of \$15,029 in the year ending December 31, 2018.

6. Allocation of expenses

Salaries and wages expense of \$260,115 (2016 - \$258,646) have been allocated as follows:

	2017	2016
Core operations	\$ 30,804	\$ -
Fundraising	75,746	61,690
Education	153,566	196,956
	<hr/> \$ 260,116	<hr/> \$ 258,646

7. Financial instruments

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

Liquidity risk

The Network'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 Network manages liquidity risk by management of working capital, and cash flows.

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

