

Melanoma Canada
Financial Statements
For the year ended December 31, 2021

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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, 2021, 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.

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, 2021 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, 2021 and net assets as at December 31, 2021.

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 28, 2022
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Melanoma Canada
Statement of Financial Position
December 31, 2021

Assets		
	2021	2020
Current assets		
Cash and cash equivalents	\$ 20,171	\$ 292,399
Restricted cash (Note 5)	215,854	133,023
Investment in guaranteed investment certificate	757,671	357,355
Accounts receivable	50,170	20,434
Prepays and deposits	90,601	22,530
H.S.T recoverable	16,472	12,763
	1,150,939	838,504
Capital assets (Note 4)	2,884	7,536
Intangible assets	4,589	-
	\$ 1,158,412	\$ 846,040

Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 63,254	\$ 35,735
Deferred revenue (Note 5)	215,854	133,023
	279,108	168,758
Deferred capital contribution	126	1,634
	\$ 279,234	\$ 170,392

Net Assets		
Unrestricted	\$ 879,178	\$ 675,648
	879,178	675,648
	\$ 1,158,412	\$ 846,040

Approved on Behalf of the Board

Directors

Directors

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, 2021

	2021	2020
Revenue		
Corporate contributions	\$ 431,047	\$ 266,426
Fundraising events and donations	445,073	203,028
General donations	86,494	99,679
Interest income	2,456	5,402
	965,070	574,535
Expenditures		
Amortization	6,019	5,499
Automobile, travel and conferences	1,000	3,247
Donation processing fees	5,442	4,386
Education and public awareness	447,396	326,606
Fundraising materials, media and venues	196,480	83,471
Insurance	2,465	2,686
Office and general	79,369	82,752
Professional fees	32,960	31,160
Rent	27,937	23,192
Website	11,845	771
	810,913	563,770
Excess before other income	154,157	10,765
Government Assistance (Note 7)	49,373	98,389
Net excess of revenue over expenditures	203,530	109,154
Net assets, beginning of year	675,648	566,494
Net assets, end of year	\$ 879,178	\$ 675,648

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



Melanoma Canada

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Cash flows from operating activities		
Net excess of revenue over expenditures	\$ 203,530	\$ 109,154
Amounts not involving cash		
Amortization of capital assets	6,019	5,499
Accrued investment income	(2,456)	(1,050)
	207,093	113,603
Net change in accounts receivable	(29,736)	(6,434)
Net change in accounts payable and accrued liabilities	27,519	6,870
Net change in deferred revenues	82,831	111,528
Net change in prepaids and deposits	(68,071)	3,751
Net change in H.S.T. recoverable	(3,709)	9,247
Deferred capital contribution	(1,508)	(1,509)
	214,419	237,056
Cash flows from investing activities		
Purchase of capital assets	(1,367)	(1,794)
Purchase of intangible assets	(4,589)	-
Redemption of guaranteed investment certificates	358,048	445,728
Purchase of guaranteed investment certificates	(755,908)	(446,305)
	(403,816)	(2,371)
Net increase (decrease) in cash and cash equivalents	(189,397)	234,685
Cash and cash equivalents, beginning of year	425,422	190,737
Cash and cash equivalents, end of year	\$ 236,025	\$ 425,422
Cash and cash equivalents consist of:		
Bank	\$ 20,171	\$ 292,399
Restricted cash	215,854	133,023
	\$ 236,025	\$ 425,422

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



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2021

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

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.



Melanoma Canada
Notes to Financial Statements
Year Ended December 31, 2021

2. Significant accounting policies (cont'd.)

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.

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. Related party transactions

During the year, the Organization reimbursed Directors for expenses incurred on behalf of the Organization which amounted to \$6,523 (2020 - \$8,946). 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.



Melanoma Canada
Notes to Financial Statements
Year Ended December 31, 2021

4. Capital assets

	Cost	Accumulated Amortization	2021	2020
Computer equipment	\$ 16,468	\$ 14,859	\$ 1,609	\$ 6,683
Furniture and fixtures	5,600	4,325	1,275	853
	\$ 22,068	\$ 19,184	\$ 2,884	\$ 7,536

5. Deferred revenue

	2021	2020
Peer2Peer Support	\$ -	\$ 14,903
Gala 2021	-	39,922
Patient Education and Awareness	153,581	78,198
7 Summit Snowshoe Challenge	62,273	-
	\$ 215,854	\$ 133,023

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.

6. Deferred Capital Funding

	2021	2020
Deferred capital contribution	\$ 4,526	\$ 4,526
Amortization of deferred capital contribution	(4,400)	(2,891)
	\$ 126	\$ 1,635

7. Government assistance

Included in other income in the period is government assistance in the form of Canadian Emergency Wage Subsidy (CEWS) totalling \$44,806 (2020 - \$90,701) and Canadian Emergency Rent Subsidy (CERS) totalling \$4,567 (2020 - \$2,218).



Melanoma Canada

Notes to Financial Statements

Year Ended December 31, 2021

8. Allocation of expenses

Salaries and wages expense of \$395,859 (2020 - \$284,665) have been allocated as follows:

	2021	2020
Core operations	\$ 52,543	\$ 61,876
Fundraising	86,057	42,913
Education	257,259	179,876
	<hr/> \$ 395,859	<hr/> \$ 284,665

9. 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.

10. Impact of COVID-19 pandemic

Throughout 2021, the COVID-19 outbreak is still an ongoing pandemic. the continuance of governments worldwide, including the Canadian federal and provincial governments are still enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions, however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, investments and future operations, which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time. Management is carefully monitoring the situation as developments occur.

