

**Melanoma Canada**  
**Financial Statements**  
For the year ended December 31, 2023

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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, 2023, 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, 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 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. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, and excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2023 and December 31, 2022, current assets as at December 31, 2023 and December 31, 2022 and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 26, 2024  
Burlington, Ontario

*SB Partners LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Melanoma Canada**  
**Statement of Financial Position**  
**December 31, 2023**

<b>Assets</b>		<b>2023</b>	<b>2022</b>
<b>Current assets</b>			
Cash and cash equivalents	A	\$ 101,011	\$ 117,939
Restricted cash (Note 6)	A.2	181,930	242,214
Investment in guaranteed investment certificate (Note 3)	B	593,899	537,886
Accounts receivable	C	24,556	1,629
Prepays and deposits	L	38,937	43,099
H.S.T recoverable	BB.1	53,697	28,997
		<b>994,030</b>	971,764
<b>Long-term investment (Note 3)</b>	B.1	-	208,633
<b>Capital assets (Note 5)</b>	U	152,904	117,955
<b>Intangible assets</b>	W	4,589	4,589
		<b>\$ 1,151,523</b>	<b>\$ 1,302,941</b>

Approved on Behalf of the Board

\_\_\_\_\_  
 Directors

\_\_\_\_\_  
 Directors

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



		<b>Liabilities</b>			
		<b>2023</b>		<b>2022</b>	
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	BB	\$ 199,739		\$ 37,306	
Deferred revenue (Note 6)	BB.6	181,930		242,214	
		<b>381,669</b>		<b>279,520</b>	
<b>Deferred capital contribution (Note 7)</b>	BB.7	<b>82,848</b>		<b>28,267</b>	
		<b>\$ 464,517</b>		<b>\$ 307,787</b>	
<b>Net Assets</b>					
<b>Unrestricted</b>		<b>\$ 687,006</b>		<b>\$ 995,154</b>	
		<b>687,006</b>		<b>995,154</b>	
		<b>\$ 1,151,523</b>		<b>\$ 1,302,941</b>	

*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, 2023

		2023	2022
<b>Revenue</b>			
Corporate contributions	200.1	\$ 466,455	\$ 424,225
Fundraising events and donations	200.2	877,062	592,996
General donations	200.3	91,559	91,234
Interest income	701	29,718	9,199
		<b>1,464,794</b>	<b>1,117,654</b>
<b>Expenditures</b>			
Amortization	502	42,127	8,395
Automobile, travel and conferences	530	58,183	6,311
Donation processing fees	506	9,937	8,732
Education and public awareness	518	951,017	544,382
Fundraising materials, media and venues	501	564,192	309,136
Insurance	505	2,793	2,686
Office and general	514	72,937	61,321
Professional fees	516	46,478	33,528
Rent	517	29,366	28,183
Website	515	8,090	7,381
		<b>1,785,120</b>	<b>1,010,055</b>
<b>Excess (deficiency) before other income</b>		<b>(320,326)</b>	<b>107,599</b>
Government Assistance (Note 9)	720	12,178	8,377
<b>Net excess (deficiency) of revenue over expenditures</b>		<b>(308,148)</b>	<b>115,976</b>
<b>Net assets, beginning of year</b>	TT	<b>995,154</b>	<b>879,178</b>
<b>Net assets, end of year</b>		<b>\$ 687,006</b>	<b>\$ 995,154</b>

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



## Melanoma Canada

### Statement of Cash Flows

Year Ended December 31, 2023

		2023	2022
<b>Cash flows from operating activities</b>			
Net excess of revenue over expenditures		\$ (308,148)	\$ 115,976
Amounts not involving cash			
Amortization of capital assets	502	42,127	8,395
Accrued investment income	701	(29,718)	(9,198)
		(295,739)	115,173
Net change in accounts receivable	C	(22,927)	48,541
Net change in accounts payable and accrued liabilities	BB	162,433	(25,948)
Net change in deferred revenues	BB.6	(60,284)	26,360
Net change in prepaids and deposits	L	4,162	47,502
Net change in H.S.T. recoverable	BB.1	(24,700)	(12,525)
		(237,055)	199,103
<b>Cash flows from investing activities</b>			
Deferred capital contributions	BB.7	54,581	28,141
Purchase of capital assets		(77,076)	(123,466)
Redemption of guaranteed investment certificates	B200	777,472	758,230
Purchase of guaranteed investment certificates	B200	(595,134)	(737,880)
		159,843	(74,975)
<b>Net increase (decrease) in cash and cash equivalents</b>			
		(77,212)	124,128
<b>Cash and cash equivalents, beginning of year</b>			
		360,153	236,025
<b>Cash and cash equivalents, end of year</b>			
	A	\$ 282,941	\$ 360,153
<b>Cash and cash equivalents consist of:</b>			
Bank	A	\$ 101,011	\$ 117,939
Restricted cash	A.2	181,930	242,214
		\$ 282,941	\$ 360,153

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





# Melanoma Canada

## Notes to Financial Statements

Year Ended December 31, 2023

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### 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, account receivable, 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, 2023**

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**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 3.25% to 4.75%, maturing by June 2024.

**4. Related party transactions**

During the year, the Organization reimbursed Directors for expenses incurred on behalf of the Organization which amounted to \$20,573 (2022 - \$12,412). 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**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2023</b>	<b>2022</b>
Computer equipment	\$ 24,677	\$ 20,139	\$ 4,538	\$ 6,227
Furniture and fixtures	5,600	4,871	729	1,002
Vehicles	103,984	21,136	82,848	28,267
Website Development	88,349	23,560	64,789	82,459
	<b>\$ 222,610</b>	<b>\$ 69,706</b>	<b>\$ 152,904</b>	<b>\$ 117,955</b>



## Melanoma Canada

### Notes to Financial Statements

Year Ended December 31, 2023

#### 6. Deferred revenue

		2023	2022
7 Summit Snowshoe Challenge	BB.6	\$ 684	\$ 5,000
Mobile Skin Cancer Screening Unit		66,470	81,733
Patient Education and Awareness		106,287	146,260
Pickleball - Montreal		8,489	-
Youth Education Programs		-	9,221
		<u>\$ 181,930</u>	<u>\$ 242,214</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

		2023	2022
Deferred capital contribution, January 1		\$ 28,267	\$ 126
Capital contributions received		75,717	28,267
Amortization of deferred capital contribution		(21,136)	(126)
		<u>\$ 82,848</u>	<u>\$ 28,267</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:

	2024	\$ 24,000
	2025	24,000
	2026	16,000
		<u>\$ 64,000</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 \$12,178 (2022- \$8,377).



## Melanoma Canada

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 10. Allocation of expenses

Salaries and wages expense of \$496,887 (2022 - \$444,189) have been allocated as follows:

	2023	2022
Core operations	\$ 53,569	\$ 50,848
Fundraising	99,718	82,889
Education	343,600	310,452
	<hr/> \$ 496,887	<hr/> \$ 444,189

#### 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.

