

AIM AT MELANOMA
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS AND NOTES

DECEMBER 31, 2019

AIM AT MELANOMA
(A NONPROFIT ORGANIZATION)

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YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
AIM at Melanoma
(A Nonprofit Organization)

I have audited the accompanying financial statements of AIM at Melanoma (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of AIM at Melanoma as of December 31, 2019, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, reading "Marvin Koenigsberg".

Marvin Koenigsberg CPA

July 29, 2020

AIM AT MELANOMA
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,180,276
Employer advances	8,801
Prepaid expenses	<u>10,459</u>

Total Current Assets 3,199,536

Property, Equipment, Leasehold Improvements

Leasehold improvements	9,750
Equipment and fixtures	<u>62,956</u>
Total Equipment and Leasehold Improvements	<u>72,706</u>

Less: Accumulated Depreciation 44,081

Net Equipment and Leasehold Improvements 28,625

Total Assets \$ 3,228,161

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 1,577
Grants payable	<u>120,000</u>

Total Current Liabilities 121,577

Net Assets:

Unrestricted	<u>3,106,584</u>
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Total Liabilities and Net Assets \$ 3,228,161

AIM AT MELANOMA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2019

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Public Support			
Contributions	\$ 1,968,936	\$ -	\$ 1,968,936
Special Fundraising Events	583,784	-	583,784
Total Public Support	<u>2,552,720</u>	<u>-</u>	<u>2,552,720</u>
Investment Income			
Interest	17,304	-	17,304
Dividends	1,624	-	1,624
Total Investment Income	<u>18,928</u>	<u>-</u>	<u>18,928</u>
Total Revenue	<u>2,571,648</u>	<u>-</u>	<u>2,571,648</u>
EXPENSES			
Program Services	1,833,694	-	1,833,694
Management and General	152,449	-	152,449
Fundraising	51,619	-	51,619
Total Expenses	<u>2,037,762</u>	<u>-</u>	<u>2,037,762</u>
Change in Net Assets	<u>533,886</u>	<u>-</u>	<u>533,886</u>
NET ASSETS			
Net Assets, beginning of year	<u>2,572,698</u>	<u>-</u>	<u>2,572,698</u>
Net Assets, end of year	<u>\$ 3,106,584</u>	<u>\$ -</u>	<u>\$ 3,106,584</u>

See accompanying notes to financial statements
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AIM AT MELANOMA
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

Cash Flows from Operating Activities:

Change in net assets	\$ 533,886
Adjustments to reconcile change in net assets to cash from operating activities:	
Depreciation	6,699
Employer advances	12,114
Prepaid expenses	(10,459)
Accounts payable	1,577
Other payables	120,000
Net cash provided by (used in) operating activities	<u>663,817</u>

Cash Flows from Investing Activities:

Purchases of equipment, including internal use software	<u>(6,956)</u>
Net cash provided by (used in) investing activities	(6,956)

Net increase in cash and cash equivalents 656,861

Cash and cash equivalents, beginning of year 2,523,415

Cash and cash equivalents, end of year \$ 3,180,276

AIM AT MELANOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. Organization

AIM at Melanoma (the Organization) was incorporated in 2004 in the State of California as a not-for-profit organization. The Organization is dedicated to advancing the battle against melanoma through innovative research, legislative reform, education and patient and caregiver support. The Organization is a 501(c)(3) not-for-profit public charity.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United State of America ("US GAAP") which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958 "Not-for-Profit Entities" for the year ending December 31, 2019.

Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ended December 31, 2019, the Organization had accounting transactions in only one of the net asset categories, as follows: Unrestricted net assets - net assets that are not subject to externally imposed restrictions. In addition, the Organization is required to present a statement of cash flows.

Functional Allocation of Expenses

The cost of program service and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated as determined by management among the programs and supporting services and estimated ratios determined by management.

Cash and Cash Equivalents

For financial statement presentation purposes, cash held in banks and highly liquid investments are considered to be cash equivalents. The Organization invests funds in a professionally managed portfolio that includes primarily certificates of deposits. Interest, from both money market funds and certificates of deposit, is earned and reported when received.

AIM AT MELANOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Cash and Cash Equivalents – continued

These investments are generally not subject to market fluctuations. The following is a summary of investments on December 31, 2019:

Cash and Investments, at cost

Money market funds	\$ 369,976
Checking accounts	710,152
Certificates of deposit	<u>2,100,148</u>
Total investments	<u>\$ 3,180,276</u>

Property, Equipment and Leasehold Improvements

Acquisitions of furniture and equipment are carried at cost, or, if donated, at fair value at the date of the donation. Depreciation is computed using the straight-line method based on estimated useful lives of three to five years. Leasehold improvements are amortized over the shorter of the economic life of the asset or the term of the lease.

Income Taxes

The Organization is classified as a public charity by the Internal Revenue Service and under Sections 501(c)(3) and 509(a) of the Internal Revenue Code. Accordingly, the Organization is exempt from federal income taxes. The Organization is also exempt from the State of California income, franchise, sales and use taxes.

3. Nurse/Physician Website

The Organization expended \$286,776 on The Melanoma Nurse Initiative (MNI), which is designed to train healthcare providers about the side effects of immunotherapy. MNI, which can be accessed on <https://themelanomannurse.org>, is a group of advanced practice providers and other members of the healthcare community who have extensive knowledge about melanoma, targeted therapies, immunotherapies, and their associated toxicity profiles. This nurse-centric effort is designed to educate and engage healthcare providers to address adverse events associated with melanoma therapies, adherence issues, and patient education, thereby improving therapeutic outcomes for patients with melanoma.

4. Lease Obligations

The Organization leases its premises from BSI, LLC, a related party. The president of the Organization has a 50% interest in BSI, LLC. The lease commenced on September 1, 2016 and terminates on August 31, 2026 at a monthly rental of \$1,800. The rental amount remains constant during the entire 10-year term of the lease.

5. Subsequent Events

The Organization has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued which is July 29, 2019.

AIM AT MELANOMA
SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Total	Program Services	Management and General	Fundraising
Administration and office expense	\$ 36,001	\$ -	\$ 36,001	\$ -
Conferences and Conventions, ex USA	33,556	33,556		
Conferences and Conventions, USA	32,289	32,289		
Depreciation	6,699		6,699	
Employee benefits	69,966	59,471	3,498	6,997
Facilities expense	34,307		34,307	
Global advocacy	111,827	111,827		
Insurance	12,784		12,784	
Legislative software	7,995	7,995		
Media	31,350	31,350		
Membership dues	2,750	2,750		
Patient education	165,014	165,014		
Payroll taxes	53,552	48,758	1,756	3,038
Physician/Nurse education	330,396	330,396		
Professional fees	32,751		32,751	
Physician assistant	18,522	18,522		
Research grants	175,000	175,000		
Research meetings	92,915	92,915		
Retreat	3,434	3,434		
Salaries	733,123	667,501	24,038	41,584
State filing fees	615		615	
Travel	2,604	2,604		
Website	50,312	50,312		
	<u>\$ 2,037,762</u>	<u>\$ 1,833,694</u>	<u>\$ 152,449</u>	<u>\$ 51,619</u>

See accompanying notes to financial statements