

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS**

**September 30, 2021**



Gurseley | Schneider <sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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## **Independent Auditor's Report**

To the Board of Directors  
International Myeloma Foundation  
Studio City, California

We have audited the accompanying financial statements of the International Myeloma Foundation (the Foundation) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. Accordingly, we 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.

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

**Opinion**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of the International Myeloma Foundation as of September 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Gursey | Schneider LLP*

February 18, 2022  
Los Angeles, California

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Financial Position  
September 30, 2021

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 4,933,768
Investments, at fair value	12,575,957
Contributions, program grants, and other receivables	1,156,224
Prepaid expenses	515,429
	515,429

<b>Total Current Assets</b>	19,181,378
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**OTHER ASSETS**

Property and equipment, net	241,573
Intangible assets, net	105,415
Security deposits	10,968
	10,968

<b>Total Other Assets</b>	357,956
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<b>TOTAL ASSETS</b>	\$ 19,539,334
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 1,160,541
Deferred program and educational grant revenues	4,065,524
Refundable advances	2,255,000
	2,255,000

<b>Total Current Liabilities</b>	7,481,065
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**OTHER LIABILITIES**

Gift annuity obligation	71,500
	71,500

<b>TOTAL LIABILITIES</b>	7,552,565
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**NET ASSETS**

Without donor restrictions	11,741,790
With donor restrictions	244,979
	244,979

<b>TOTAL NET ASSETS</b>	11,986,769
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 19,539,334
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**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Educational and program grants	\$ 7,428,870	\$ 2,430,000	\$ 9,858,870
General contributions	2,641,247	329,046	2,970,293
Clinical trials and research revenue	4,262,599	-	4,262,599
Change in split interest agreements	-	(4,574)	(4,574)
Support group income	29,815	-	29,815
Fundraising events, net of direct benefit to donors of \$168,323	-	154,235	154,235
Investment income, net of fees \$59,412	634,659	16,162	650,821
	<u>14,997,190</u>	<u>2,924,869</u>	<u>17,922,059</u>
Transfer to annuity assets	(7,812)	7,812	-
Net assets released from restrictions	<u>2,763,280</u>	<u>(2,763,280)</u>	<u>-</u>
<b>TOTAL REVENUES AND SUPPORT</b>	<u>17,752,658</u>	<u>169,401</u>	<u>17,922,059</u>
<b>FUNCTIONAL EXPENSES</b>			
Program expenses	13,512,687	-	13,512,687
General supporting expenses	655,289	-	655,289
Fundraising	<u>1,115,813</u>	<u>-</u>	<u>1,115,813</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>15,283,789</u>	<u>-</u>	<u>15,283,789</u>
<b>CHANGE IN NET ASSETS</b>	2,468,869	169,401	2,638,270
<b>NET ASSETS - Beginning of year</b>	<u>9,272,921</u>	<u>75,578</u>	<u>9,348,499</u>
<b>NET ASSETS - End of year</b>	<u>\$ 11,741,790</u>	<u>\$ 244,979</u>	<u>\$ 11,986,769</u>

See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Functional Expenses  
For the Year Ended September 30, 2021

	Advocacy	Clinical Meetings	Education and Awareness	Info Line	Information Mailings	International	Myeloma Today	Nurse
Bank fees	\$ 321	\$ 60	\$ 1,188	\$ 272	\$ 164	\$ 334	\$ 202	\$ 317
Conference and meetings	-	20,000	234,076	-	-	133,465	-	145,818
Depreciation and amortization	14,001	109	15,733	13,926	13,703	14,065	13,766	13,945
Dues and subscriptions	14,536	-	3,577	12	9	11	8	8
Information technology	6,572	1,883	27,866	4,966	3,092	7,007	4,169	5,920
Insurance	6,946	249	23,535	5,718	2,814	5,327	4,532	9,603
Merchandise	-	-	-	-	-	-	-	-
Office	3,216	245	107,996	1,949	1,201	2,340	1,687	6,599
Payroll	343,414	123,436	984,918	378,642	31,075	224,321	204,377	149,962
Postage and shipping	-	-	3,151	-	3,495	-	30,279	1,329
Printing and publications	-	-	67,536	-	-	5,746	33,774	14,687
Professional services	173,140	691	319,286	4,840	2,646	100,816	4,347	118,216
Recruitment	-	-	-	-	-	-	-	-
Rent	623	2,018	54,611	34,771	4,652	10,627	10,603	807
Research grants awarded	-	-	-	-	-	32,000	-	-
Taxes	149	150	491	31	33	197	60	109
Telephone	4,868	338	8,329	1,596	942	2,007	1,539	5,743
Travel	436	-	3,488	-	-	(2,083)	-	-
<b>Total</b>	<b>\$ 568,222</b>	<b>\$ 149,179</b>	<b>\$ 1,855,781</b>	<b>\$ 446,723</b>	<b>\$ 63,826</b>	<b>\$ 536,180</b>	<b>\$ 309,343</b>	<b>\$ 473,063</b>

(Continued on next page)

See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Functional Expenses  
For the Year Ended September 30, 2021

(Continued from previous page)

	Patient and Family Seminars	Research	Support Groups	Website	Total Program Expenses	General Supporting Expenses	Fundraising Expenses	Total Expenses
Bank fees	\$ 418	\$ 4,611	\$ 476	\$ 320	\$ 8,683	\$ 899	\$ 682	\$ 10,264
Conference and meetings	21,785	434,623	60,047	-	1,049,814	-	48,249	1,098,063
Depreciation and amortization	14,198	22,317	14,318	14,013	164,094	15,157	14,726	193,977
Dues and subscriptions	511	2,234	260	425	21,591	31	26,504	48,126
Information technology	8,750	94,040	9,795	6,115	180,175	16,573	93,071	289,819
Insurance	8,460	96,343	7,956	5,680	177,163	20,602	14,359	212,124
Merchandise	-	-	-	-	-	-	3,550	3,550
Office	6,635	160,731	12,919	106,278	411,796	6,217	14,643	432,656
Payroll	448,905	891,430	652,856	277,168	4,710,504	489,337	643,043	5,842,884
Postage and shipping	1,068	519	2,929	-	42,770	4,328	129,321	176,419
Printing and publications	2,213	4,512,905	1,264	-	4,638,125	-	13,564	4,651,689
Professional services	44,468	785,112	18,815	5,323	1,577,700	16,449	42,014	1,636,163
Recruitment	-	-	-	-	-	35,026	-	35,026
Rent	12,604	33,054	15,306	36,463	216,139	45,257	62,757	324,153
Research grants awarded	-	110,000	-	-	142,000	-	-	142,000
Taxes	269	2,057	207	77	3,830	162	209	4,201
Telephone	3,892	46,463	16,702	1,866	94,285	5,251	9,121	108,657
Travel	(1,159)	72,183	1,153	-	74,018	-	-	74,018
<b>Total</b>	<b>\$ 573,017</b>	<b>\$ 7,268,622</b>	<b>\$ 815,003</b>	<b>\$ 453,728</b>	<b>\$ 13,512,687</b>	<b>\$ 655,289</b>	<b>\$ 1,115,813</b>	<b>\$ 15,283,789</b>

See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Cash Flows  
For the Year Ended September 30, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 2,638,270
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in split interest agreements	4,574
Depreciation and amortization	193,977
Realized and unrealized gains, net	(487,669)
(Increase) decrease in assets:	
Contributions, program grants, and other receivables	1,789,942
Prepaid expenses	274,446
Security deposits	(10,968)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	949,632
Deferred program and educational grants	<u>(1,388,208)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>3,963,996</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(5,048,377)
Proceeds from sale of investments	1,864,882
Payment to annuitants	(7,812)
Purchases of property and equipment, net	<u>(11,770)</u>
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<u>(3,203,077)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	760,919
<b>CASH AND CASH EQUIVALENTS (INCL. RESTRICTED CASH)</b>	
Beginning of Year	<u>4,172,849</u>
End of Year	<u><u>\$ 4,933,768</u></u>

See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 1 — NATURE OF ORGANIZATION**

Founded in 1990, the International Myeloma Foundation (IMF) is the first and largest organization focusing specifically on multiple myeloma. The IMF's reach extends to more than 525,000 members in 140 countries worldwide. The IMF is dedicated to improving the quality of life of myeloma patients while working towards prevention and cure through our four founding principles: Research, Education, Support, and Advocacy.

*Research:* The signature project of the IMF's Research division is the Black Swan Research Initiative, a groundbreaking and collaborative effort to develop the first definitive cure for myeloma. Each year, the IMF also awards Brian D. Novis Grants, which promote research for better myeloma treatments, management, and practices in the field. In addition, more than 250 leading myeloma researchers, clinicians and statisticians comprise the IMF's International Myeloma Working Group (IMWG), a research body that has developed myeloma guidelines that are followed around the world. The Foundation supports lab-based research and has awarded over 147 grants to top senior and junior research scientists since 1995. Finally, the IMF's Nurse Leadership Board (NLB), comprised of nurses from leading myeloma treatment centers, develops recommendations for the nursing care of myeloma patients.

*Education:* The IMF Patient & Family Seminars and Regional Community Workshops are held around the world to provide up-to-date information presented by leading myeloma specialists and researchers directly to patients and their families. The IMF's library of more than 100 publications, for patients and caregivers as well as for healthcare professionals, is updated annually and available free of charge. Publications are available in more than 20 languages.

*Support:* The IMF's InfoLine is staffed by information specialists who answer myeloma-related questions and provide support via phone and email to thousands of families each year. In addition, the IMF sustains a network of more than 150 myeloma support groups and offers training for the hundreds of dedicated patients, caregivers, and nurses who volunteer to lead these groups in their communities.

*Advocacy:* The IMF's Advocacy team has educated and empowered thousands of individuals who make a positive impact each year on issues critical to the myeloma community. Working in the US at both federal and state levels, we lead coalitions to advocate for parity in insurance coverage. We also represent the myeloma community's interests before the US Congress and agencies such as the National Institutes of Health, the Food and Drug Administration, the Centers for Medicare and Medicaid Services, and the Veterans Administration. Outside the US, the IMF's Global Myeloma Action Network (GMAN) works to help patients gain access to treatment.

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Financial Presentation** — The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Use of Estimates** — The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

**Classes of Net Assets** — The Foundation recognizes contributions, including unconditional promises to give, as revenue in the period in which they are received. Revenues, gains, expenses, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Without Donor Restrictions* — Net assets are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by actions of the board of directors or may otherwise be limited by contractual agreements with outside parties.
- *With Donor Restrictions* — Net assets that are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specified purposes. Donor restrictions may also result in permanently restricted net assets, where the donor stipulates that resources are to be maintained permanently but permits the Foundation to expend all of the income (or other economic benefits) derived from the donated assets. The Foundation did not have any permanently restricted net assets at September 30, 2021.

**Cash and Cash Equivalents** — The Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. This amount includes short-term certificates of deposit and money market funds. For purposes of the statement of cash flows, cash and cash equivalents includes restricted cash of \$939 held for annuity investment obligations.

**Revenue Recognition** — The Foundation has multiple revenue streams that are accounted for as contributions, educational and program grants, and exchange transaction involving clinical trials and special events.

*Contributions*

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor or provided for future periods are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

During the current year, the Foundation also recorded general contributions as support from the Federal government by way of a forgivable loan under the U.S. Small Business Administration – Paycheck Protection Program (PPP). During the year ended September 30, 2021, the Foundation recorded \$807,600 of income from this forgivable loan. The loan was forgiven on January 24, 2022.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

*Educational and Program Grants*

Program grants may consist of conditional awards where the Foundation is obligated to provide a certain event or program or complete a charitable activity. Certain program grants contain milestone or other progress measures that require attainment of certain threshold prior to the application and award of subsequent funding. Contracts that contain such contingencies are accounted for as contingent awards. Revenue from contingent award contracts is recognized when the condition or milestone is met. Other program grants without milestones are accounted for as contributions when awarded.

*Clinical Trials Revenue*

The Foundation contracts with several pharmaceutical companies to conduct various clinical trials related to finding treatments for multiple myeloma through a contracted network of research institutions. The Foundation is responsible for executing multi-year contracts to perform clinical trials in accordance with the terms set forth in the contracts, collecting data, providing administrative support, collaborating with research institutions to produce a final report, and collecting and remitting payments as a fiscal agent. The number of enrolled subjects as well as milestone achievement, and expenses incurred to date may be used to measure the delivery of services to the pharmaceutical companies. Revenues from clinical trials are recognized when pre-established milestones are met.

*Special Events Revenue*

The Foundation organizes various special events as a fundraising effort. Revenues collected for these events have both the exchange and non-exchange components. Any payments collected in advance of the event taking place are reported as deferred revenue, and the revenue is recognized when the event takes place.

**Contributions, Program Grants, and Other Receivables** — Receivables represent primarily amounts due from pharmaceutical companies for research, educational, or other program grants, or amounts due from donors for general support contributions. The Foundation considers these receivables fully collectible; accordingly, no allowance for doubtful accounts is required.

Receivables are expected to be received as follows:

Due within one year	<u>\$1,156,224</u>
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These amounts are not discounted to reflect present value as such adjustment would not be material.

**Investments** — The Foundation accounts for its investments at fair value, determined by quoted market prices. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded based on the record date. Interest income is recorded as earned on an accrual basis. Bond premiums and discounts are amortized to the first call date using a method that approximates the effective interest method. Realized gains and losses are recorded upon disposition of securities. Investment income and realized and unrealized gains and losses are recognized as net assets without donor restrictions unless their use is restricted by donors to a specified purpose or future period.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

**Property and Equipment** — Purchased property and equipment is capitalized at cost or, if contributed, at fair value at the date of contribution. Ordinary repairs and maintenance are expensed in the year incurred. Computer software developed for internal use is capitalized. Depreciation of property and equipment is computed using the straight-line method based upon the estimated useful lives of the assets as follows:

Computer software and equipment	3 – 5 years
Furniture and equipment	5 years
Website and CRM database	5 years
Leasehold improvements	Lesser of useful life or lease term

**Intangible Assets** — Intangible assets consist of legal costs paid to secure the rights to various Foundation trademarks used both domestically and internationally. The costs of these intangible assets are being amortized on a straight-line basis over the life of the trademark and are stated at cost net of accumulated amortization. The Foundation estimates a ten-year useful life for its trademarks.

**Impairment of Long-Lived Assets** — Long-lived assets such as property and equipment, software and website development costs, trademarks and other intangible assets are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. Further, long-lived assets held for sale are to be stated at the lower of cost or fair value less costs to sell.

**Contributed Goods and Services** — Contributed services are recognized by the Foundation if the services received (a) increase or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended September 30, 2021, the Foundation received \$5,890 of donated goods and services included in general contributions.

**Functional Expenses** — The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with program and supporting service are allocated based on estimates determined by management. The Foundation uses employee salaries based on time survey allocation as a measure to allocate indirect costs for compensation and benefits among program or supporting services, and space occupancy survey as a basis to allocate occupancy and general overhead related indirect costs.

**Income Taxes** — The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

The Foundation evaluates its tax positions and recognize a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. If such issues exist, the Foundation’s policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense. The Foundation did not recognize any amount of tax, interest, and penalties associated with uncertain tax positions.

The Foundation’s federal income tax and informational returns for tax years 2018 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California remain subject to examination by the California Franchise Tax Board for years 2017 and subsequent.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

**Foreign Currency** — The Foundation conducts operations in foreign countries and purchases goods and services at prices denominated in various foreign currencies. The Foundation's functional currency for all operations worldwide is the U.S. dollar. Nonmonetary assets and liabilities are translated at historical rates and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Statement of activity accounts are translated at actual or average rates for the year. Gains and losses resulting from foreign currency transactions are included in the current statement of activities. Aggregate foreign currency translation and transaction losses included in the statement of activities are not material. On September 30, 2021, the Foundation holds less than \$5,000 of foreign currency denominated assets and no foreign currency denominated liabilities.

**Concentration of Credit Risk** — Financial instruments that potentially expose the Foundation to a concentration of credit risk consist primarily of cash and cash equivalents, investments, and contributions.

The Foundation maintains its cash and cash equivalents with high-credit, quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures cash up to \$250,000 per institution and the Securities Insurance Corporation ("SIPC") protects investments up to \$500,000 per investor. In the normal course of operations, such cash and investment balances exceed the FDIC and SIPC insurance limits. However, the Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and investment.

Three pharmaceutical companies accounted for approximately 46% of educational revenues during the year ended September 30, 2021. No other resource provider contributed more than 10% of total revenues during the year.

Four pharmaceutical company donors accounted for approximately 62% of contributions receivable as of September 30, 2021. No other resource provider owed more than 10% of contributions receivable as of year-end.

**Effect of Recently Issued Accounting Standards** — In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, "Leases" (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2021, and interim periods beginning the following year. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the Foundation's financial statements and related disclosures and intends to adopt the change when it becomes effective.

**Subsequent Events** — Management has reviewed subsequent events through February 18, 2022, the date that the financial statements were available to be issued.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2021

**NOTE 3 — LIQUIDITY AND AVAILABILITY**

Financial assets consist of the Foundation’s cash and cash equivalents, investments, and contributions receivable. The following table summarizes the Foundation’s financial assets as of September 30, 2021, reduced by amounts not available for general use within one year.

Cash and cash equivalents	\$	4,933,768
Investments		12,575,957
Contributions, program grants, and other receivables		<u>1,156,224</u>
		18,665,949
Less assets unavailable for general expenditures within one year:		
Assets with donor restrictions		<u>(244,979)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>18,420,970</u></u>

The Foundation’s financial assets available to meet cash needs for general expenditures within one year represent funding for ongoing operational requirements and program expenditure in 2022.

The Foundation has an investment policy authorized by the board of directors that provides guidance and oversight for the management of cash and cash equivalents. The policy provides that the Foundation maintain an adequate level of cash to meet on-going operational and liquidity requirements. All liquid assets are invested in cash, cash equivalents and marketable securities at September 30, 2021. Management believe the Foundation has sufficient liquid net assets to meet its obligations for the following year.

**NOTE 4 — INVESTMENTS**

The Foundation’s investments are reported at fair value in the accompanying statement of financial position. Fair value is defined as the price that would be received upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tiered hierarchy is employed to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect assumptions market participants would use in pricing the asset developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

**INTERNATIONAL MYELOMA FOUNDATION**  
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Notes to Financial Statements  
September 30, 2021

**NOTE 4 — INVESTMENTS – (CONTINUED)**

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Investments consist of the following at September 30, 2021:

	Fair value	Cost or Amortized Cost
Equity securities and ETF's	\$ 2,804,229	\$ 2,037,436
Mutual funds	4,099,250	3,760,566
Fixed maturities	5,672,478	5,622,518
Total investments	<u>\$ 12,575,957</u>	<u>\$ 11,420,520</u>

As of September 30, 2021, the Foundation's investments were classified by level within the valuation hierarchy as follows:

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
Equity securities and ETF's	\$ 2,804,229	\$ -	\$ -	\$ 2,804,229
Mutual funds	4,099,250	-	-	4,099,250
Fixed maturities	3,325,262	2,347,216	-	5,672,478
Total	<u>\$ 10,228,741</u>	<u>\$ 2,347,216</u>	<u>\$ -</u>	<u>\$ 12,575,957</u>

Investment income for the year ended September 30, 2021 is summarized as follows:

Interest and dividends	\$ 222,564
Realized and unrealized gains, net	487,669
Management fees	<u>(59,412)</u>
Investment income, net	<u>\$ 650,821</u>

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**NOTE 5 — PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30, 2021:

Computer software and equipment	\$ 227,943
Website and CRM database	699,078
Furniture and equipment	77,766
Leasehold improvements	<u>15,846</u>
	1,020,633
Less accumulated depreciation	<u>(779,060)</u>
	<u>\$ 241,573</u>

Depreciation expense for the year ended September 30, 2021 was \$174,072.

**NOTE 6 — INTANGIBLE ASSETS**

Intangible assets consist of the following at September 30, 2021:

Trademark registration costs	\$ 167,903
Less accumulated amortization	<u>(62,488)</u>
	<u>\$ 105,415</u>

Amortization expense for the year ended September 30, 2021 was \$19,905.

The estimated amortization expense for the next five years and thereafter is expected to be as follows:

<u>Years Ending September 30,</u>	
2022	\$ 16,580
2023	15,812
2024	14,541
2025	13,898
2026	11,707
Thereafter	<u>32,876</u>
	<u>\$ 105,415</u>

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**NOTE 7 — COMMITMENTS AND CONTINGENCIES**

**Operating Leases** — The Foundation leases its office space under non-cancelable operating lease agreements. Subsequent to year-end, the Foundation leased new office space under a new lease agreement that expires on March 31, 2029.

The future minimum rental lease payments required under the new lease agreement:

<u>Years Ending September 30.</u>	
2022	\$ 109,681
2023	134,908
2024	138,955
2025	143,124
2026	147,417
Thereafter	<u>388,385</u>
	<u><u>\$ 1,062,470</u></u>

Rent expense (including parking, maintenance, and other occupancy charges) for the year ended September 30, 2021 was \$324,153.

**Grants** — The Foundation funds several research grants each year. These awards are for doctors or researchers doing work in the field of multiple myeloma. These grants are awarded annually as one-year awards and are accrued when approved by the Board. During the year ended September 30, 2021, the Foundation accrued \$110,000 in grant awards. The payment of research grants is subject to the grant recipient performing the proposed work, providing a report, and submitting request for payment.

**Contractual Commitments** — The Foundation contracts with university research institutions to provide specific research projects. These amounts are awarded on executory contracts that require specific performance and project activities. The Foundation has future minimum commitments to fund research projects that are summarized as follows:

<u>Years Ending September 30.</u>	
2022	\$ 1,678,650
2023	<u>972,722</u>
	<u><u>\$ 2,651,372</u></u>

**Lines of Credit** — The Foundation maintains two borrowing lines of credit for \$400,000 and \$3.4 million which renew on month-to-month bases. The interest rates on outstanding borrowings varies with the lender's prime rate, and was approximately 4.25% and 1.33%, respectively, at September 30, 2021. The amount available under the \$3.4 million line of credit is based on a percentage of investments held in a brokerage account with the lender. The available borrowing amount will fluctuate with the amount of investments that are held as collateral. There were no outstanding borrowings at any time during the year ended September 30, 2021.

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**NOTE 7 — COMMITMENTS AND CONTINGENCIES – (CONTINUED)**

**Executive Contracts** — The Foundation has a five-year employment contract with two of its employees totaling \$690,000, annually. Both contracts expire by November 2026. The future commitments are summarized as follows:

<u>Years Ending September 30,</u>		
2022	\$	636,250
2023		690,000
2024		690,000
2025		690,000
2026		614,167
Thereafter		<u>53,750</u>
	<u>\$</u>	<u>3,374,167</u>

**NOTE 8 — NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of September 30, 2021 was comprised of the following:

Program restricted contributions	\$	150,000
Charitable gift annuity program, net		<u>94,979</u>
	<u>\$</u>	<u>244,979</u>

The following is a summary of changes in the annuity assets during the year ended September 30, 2021:

Beginning of the year	\$	150,316
Investment income		17,316
Payments made to annuitants		(7,812)
Fees		(1,154)
Transfer from cash account		<u>7,812</u>
	<u>\$</u>	<u>166,478</u>

The following is a summary of changes in the gift annuity liability during the year ended September 30, 2021:

Beginning of year	\$	74,738
Change in annuity obligation		4,574
Payments made to annuitants		<u>(7,812)</u>
	<u>\$</u>	<u>71,500</u>

**NOTE 9 — RELATED PARTY TRANSACTION**

One member of the board of directors of the Foundation also serves as a research consultant. Amount paid to the related party's consulting company totaled \$192,000 for the year ended September 30, 2021.