

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

**FINANCIAL STATEMENTS**

**September 30, 2023**



**Gurseley | Schneider** LLP  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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## **Independent Auditor's Report**

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

### **Opinion**

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, 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor's 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Gursey | Schneider LLP*

February 9, 2024  
Los Angeles, California

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Financial Position  
September 30, 2023

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	5,781,898
Investments, at fair value		9,304,632
Contributions, program grants, and other receivables		1,206,327
Prepaid expenses		730,170

<b>Total Current Assets</b>		<b>17,023,027</b>
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**OTHER ASSETS**

Property and equipment, net		413,258
Intangible assets, net		72,187
Right-of-use asset, operating lease		725,183
Security deposits		11,768

<b>Total Other Assets</b>		<b>1,222,396</b>
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<b>TOTAL ASSETS</b>		<b>\$ 18,245,423</b>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$	2,487,370
Right-of-use liability, operating lease, current portion		116,418
Deferred program and educational grant revenues		4,443,378

<b>Total Current Liabilities</b>		<b>7,047,166</b>
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**OTHER LIABILITIES**

Right-of-use liability, operating lease		629,794
Gift annuity obligation		50,619

<b>TOTAL LIABILITIES</b>		<b>7,727,579</b>
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**NET ASSETS**

Without donor restrictions		10,308,157
With donor restrictions		209,687

<b>TOTAL NET ASSETS</b>		<b>10,517,844</b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 18,245,423</b>
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See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Educational and program grants	\$ 7,587,147	\$ 2,023,000	\$ 9,610,147
General contributions	2,165,425	228,841	2,394,266
Contributed non-financial assets	349,278	-	349,278
Clinical trials and research revenue	3,916,900	-	3,916,900
Change in split interest agreements	-	(5,156)	(5,156)
Support group income	23,217	-	23,217
Fundraising events, net of direct benefit to donors of \$6,734	19,741	-	19,741
Investment income (loss), net of fees \$70,614	910,798	7,732	918,530
	<u>14,972,506</u>	<u>2,254,417</u>	<u>17,226,923</u>
Transfer to annuity assets	(7,811)	7,811	-
Net assets released from restrictions	<u>2,389,341</u>	<u>(2,389,341)</u>	<u>-</u>
<b>TOTAL REVENUES AND SUPPORT</b>	<u>17,354,036</u>	<u>(127,113)</u>	<u>17,226,923</u>
<b>FUNCTIONAL EXPENSES</b>			
Program expenses	16,397,419	-	16,397,419
General supporting expenses	881,028	-	881,028
Fundraising	<u>1,132,670</u>	<u>-</u>	<u>1,132,670</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>18,411,117</u>	<u>-</u>	<u>18,411,117</u>
<b>CHANGE IN NET ASSETS</b>	(1,057,081)	(127,113)	(1,184,194)
<b>NET ASSETS</b> - Beginning of year	<u>11,365,238</u>	<u>336,800</u>	<u>11,702,038</u>
<b>NET ASSETS</b> - End of year	<u>\$ 10,308,157</u>	<u>\$ 209,687</u>	<u>\$ 10,517,844</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, 2023

	Advocacy	Clinical Meetings	Education and Awareness	InfoLine	Information Mailings	International	Myeloma Today	Nurse
Bank fees	\$ 246	\$ 216	\$ 2,110	\$ 249	\$ 97	\$ 768	\$ 199	\$ 440
Conference and meetings	-	108,876	676,394	-	-	340,036	-	397,539
Depreciation and amortization	6,047	258	8,624	6,045	5,840	6,701	5,969	6,228
Dues and subscriptions	17,516	62	2,598	134	26	517	75	508
Information Technology	5,804	4,279	135,684	5,485	2,324	15,766	4,671	8,234
Insurance	3,693	1,929	35,873	3,656	919	13,122	2,459	11,520
Office	1,419	1,389	94,590	1,455	672	4,675	1,127	4,500
Payroll	181,415	123,498	1,468,800	329,482	52,248	486,670	189,943	163,712
Postage and shipping	-	-	5,700	-	5,885	-	36,054	11,890
Printing and publications	281	-	203,271	225	-	6,454	70,892	29,049
Professional services	181,305	14,057	189,524	49,545	2,763	108,510	4,459	122,276
Rent	1,223	2,787	21,726	747	6,758	10,726	689	1,019
Research grants awarded	-	-	-	-	-	67,000	-	-
Taxes	166	93	1,565	161	49	532	134	398
Telephone	2,207	1,084	12,429	1,446	556	4,411	1,693	5,338
Travel	1,112	18,895	81,151	-	-	75,008	-	30,752
<b>Total</b>	<b>\$ 402,434</b>	<b>\$ 277,423</b>	<b>\$ 2,940,039</b>	<b>\$ 398,630</b>	<b>\$ 78,137</b>	<b>\$ 1,140,896</b>	<b>\$ 318,364</b>	<b>\$ 793,403</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, 2023

*(Continued from previous page)*

	Patient and Family Seminars	Research	Support Groups	Website	Total Program Expenses	General Supporting Expenses	Fundraising Expenses	Total Expenses
Bank fees	\$ 750	\$ 3,926	\$ 542	\$ 280	\$ 9,823	\$ 1,052	\$ 712	\$ 11,587
Conference and meetings	358,036	883,842	5,781	-	2,770,504	30,274	73,826	2,874,604
Depreciation and amortization	6,931	11,321	6,410	6,081	76,455	7,209	6,699	90,363
Dues and subscriptions	518	4,766	375	260	27,355	660	99,620	127,635
Information Technology	17,961	87,381	11,568	6,126	305,283	23,033	15,678	343,994
Insurance	13,430	78,960	7,710	3,619	176,890	17,196	10,440	204,526
Office	6,608	71,460	22,334	109,733	319,962	95,094	19,277	434,333
Payroll	891,292	1,040,891	742,738	296,087	5,966,776	626,149	658,495	7,251,420
Postage and shipping	8,895	1,546	1,368	-	71,338	7,274	146,415	225,027
Printing and publications	36,879	3,713,796	1,376	-	4,062,223	-	17,030	4,079,253
Professional services	23,155	726,053	13,886	6,873	1,442,406	24,926	50,051	1,517,383
Rent	11,021	22,333	9,045	3,489	91,563	39,636	27,723	158,922
Research grants awarded	-	196,667	-	-	263,667	-	-	263,667
Taxes	543	2,640	402	170	6,853	710	454	8,017
Telephone	4,760	42,677	12,601	1,584	90,786	6,212	6,250	103,248
Travel	80,251	418,764	8,662	940	715,535	1,603	-	717,138
<b>Total</b>	<b>\$ 1,461,030</b>	<b>\$ 7,307,023</b>	<b>\$ 844,798</b>	<b>\$ 435,242</b>	<b>\$ 16,397,419</b>	<b>\$ 881,028</b>	<b>\$ 1,132,670</b>	<b>\$ 18,411,117</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, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (1,184,194)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Change in split interest agreements	5,156
Contributions of non-financial assets	(349,278)
Depreciation and amortization	90,363
Amortization of right of use asset	9,975
Realized and unrealized gains, net	(481,237)
(Increase) decrease in assets:	
Contributions, program grants, and other receivables	483,058
Prepaid expenses	40,684
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	1,304,868
Deferred program and educational grants	<u>(227,340)</u>
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<u>(307,945)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(9,023,875)
Proceeds from sale of investments	9,365,114
Payment to annuitants	(7,811)
Purchases of property and equipment, net	<u>(18,148)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>315,280</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	7,335
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of Year	<u>5,774,563</u>
End of Year	<u><u>\$ 5,781,898</u></u>

See Accompanying Notes to Financial Statements

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2023

**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. The IMF is the leading worldwide organization focused on multiple myeloma that brings together researchers, institutions, experts, patients, care partners and the whole myeloma community to better the lives of patients as a cure is sought.

*Research:* The IMF is dedicated to finding a cure for myeloma and the IMF has a range of initiatives to make this happen. The International Myeloma Working Group, which emerged from the IMF's Scientific Advisory Board established in 1995, is the most prestigious organization with more than 200 myeloma researchers conducting collaborative research to improve outcomes for patients while providing critically appraised consensus guidelines that are followed around the world. The IMF's Black Swan Research Initiative is bridging the gap from long-term remission to cure. The IMF's annual Brian D. Novis Research Grant Program is supporting the most promising projects by junior and senior investigators. The IMF's Nurse Leadership Board, comprised of nurses from leading myeloma treatment centers, develops recommendations for the nursing care of myeloma patients.

*Education:* The IMF's webinars, seminars and workshops provide up-to-date information presented by leading myeloma scientists and clinicians directly to patients and their families. The IMF has a library of more than 100 publications for patients, care partners, and healthcare professionals. IMF publications are consistently updated and free-of-charge, available in English and select other languages.

*Support:* The IMF InfoLine responds to myeloma-related questions and concerns via phone and email, providing the most accurate information in a caring and compassionate manner. The IMF also sustains a network of myeloma support groups, training hundreds of dedicated patients, care partners, and nurses who volunteer to lead these groups in their communities.

*Advocacy:* The IMF empowers thousands of individuals who make a positive impact each year on issues critical to the myeloma community. In the U.S., the IMF leads coalitions to represent the interests of the myeloma community at both federal and state levels. Outside the U.S., the IMF's Global Myeloma Action Network 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, 2023

**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, 2023.

**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.

**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 measure at fair value and 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.

*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.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2023

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

*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 grant partners 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. Included in other receivables are \$771,077 of government grants receivable for payroll tax recoveries due under the Employee Retention Tax Credit.

Receivables are expected to be received as follows:

Due within one year	<u>\$1,206,327</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.

**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

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2023

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

**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 (10) 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 Non-Financial Assets** - 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, 2023, the Foundation received \$349,278 of donated services for software develop that is included as contributed non-financial assets in the statement of activities. These amounts were capitalized as long-term assets in the statement of financial position. This amount mainly consists of creation of an intuitive patient program platform on the Foundation's Amazon Web Services (AWS) platform.

**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 2020 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 2019 and subsequent.

**INTERNATIONAL MYELOMA FOUNDATION**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
September 30, 2023

**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, 2023, 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.

Four industry partners accounted for approximately 58% of educational grant support during the year ended September 30, 2023. No other resource provider contributed more than 10% of total grant support during the year.

Three industry partners accounted for approximately 56% of contributions receivable as of September 30, 2023. An estate distribution accounted for approximately 23% of contributions receivable as of year-end.

**Leases** - Foundation determines if an arrangement is a lease at inception. Right-of-use ("ROU") assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Foundation uses its own estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments, as the rate implicit in the lease is not readily available for such leases.

The Foundation's lease term for purposes of the computation of the present value of minimum lease payments may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Foundation accounts for the lease and non-lease components as separate lease component.

**Subsequent Events** - Management has reviewed subsequent events through February 9, 2024, 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, 2023

**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, 2023, reduced by amounts not available for general use within one year.

Cash and cash equivalents	\$	5,781,898
Investments, at fair value		9,304,632
Contributions, program grants, and other receivables		<u>1,206,327</u>
		16,292,857
Less assets unavailable for general expenditures within one year:		
Assets with donor restrictions		<u>(209,687)</u>
	\$	<u>16,083,170</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 2024.

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, 2023. 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.

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**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 of 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, 2023:

	Fair value	Cost or Amortized Cost
	<u>                    </u>	<u>                    </u>
Equities	\$ 2,231,169	\$ 1,487,157
Mutual funds	2,654,709	2,842,391
ETF and closed end funds	1,753,652	1,861,688
Fixed income	<u>2,665,102</u>	<u>2,768,738</u>
 Total investments	 <u>\$ 9,304,632</u>	 <u>\$ 8,959,974</u>

As of September 30, 2023, the Foundation's investments were classified by level within the valuation hierarchy as follows:

	Fair Value Hierarchy			Total
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Equities	\$ 2,231,169	\$ -	\$ -	\$ 2,231,169
Mutual funds	2,654,709	-	-	2,654,709
ETF and closed end funds	1,753,652	-	-	1,753,652
Fixed income	<u>2,487,716</u>	<u>177,386</u>	<u>                    </u>	<u>2,665,102</u>
 Total	 <u>\$ 9,127,246</u>	 <u>\$ 177,386</u>	 <u>\$ -</u>	 <u>\$ 9,304,632</u>

Investment income for the year ended September 30, 2023 is summarized as follows:

Interest and dividends	\$ 507,907
Realized and unrealized gains, net	481,237
Management fees	<u>(70,614)</u>
	 <u>\$ 918,530</u>

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**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30, 2023:

Computer equipment	\$ 205,532
Computer software	900,571
Furniture and equipment	79,924
Leasehold improvements	<u>9,390</u>
	1,195,417
Less accumulated depreciation	<u>(782,159)</u>
	<u>\$ 413,258</u>

Depreciation expense for the year ended September 30, 2023 was \$73,918.

**NOTE 6 - INTANGIBLE ASSETS**

Intangible assets consist of the following at September 30, 2023:

Trademark registration costs	\$ 163,030
Less accumulated amortization	<u>(90,843)</u>
	<u>\$ 72,187</u>

Amortization expense for the year ended September 30, 2023 was \$16,445.

Amortization expense for the next five years and thereafter is expected to be as follows:

<u>Years Ending September 30,</u>	
2024	\$ 15,812
2025	14,541
2026	13,898
2027	11,707
2028	10,325
Thereafter	<u>5,904</u>
	<u>\$ 72,187</u>

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**NOTE 7 - RIGHT-OF-USE ASSETS AND LIABILITIES**

**Operating Lease** - On August 4, 2021, the Foundation entered into a lease agreement for its office space in North Hollywood, California. The new lease agreement commenced on December 1, 2021, and ends on March 31, 2029. The lease agreement contains one five-year renewal option at fair value. Management does not include the option term in determining the lease period.

Management estimates the discount rate at 3.25% and amortizes the lease liability using the effective interest method over the 88-month term.

Maturities of lease liabilities as of September 30, 2023, were as follows:

<u>Years Ending September 30,</u>		
2024	\$	138,955
2025		143,124
2026		147,417
2027		151,840
2028		156,395
Thereafter		<u>80,150</u>
Total minimum lease payments		817,881
Less: Imputed interest		<u>(71,669)</u>
		<u><u>\$ 746,212</u></u>

Rent expense (including parking, maintenance, and other occupancy charges) for the year ended September 30, 2023 was \$158,922.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**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, 2023, the Foundation accrued \$196,667 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>Year Ending September 30,</u>		
2024	\$	<u>36,755</u>

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**NOTE 8 - COMMITMENTS AND CONTINGENCIES – (CONTINUED)**

**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 9.5% and 6.7%, respectively, at September 30, 2023. 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 value of investments that are held as collateral. There were no outstanding borrowings at any time during the year ended September 30, 2023.

**Executive Contracts** - The Foundation has employment contracts with three of its employees. The contracts expire in varying dates through March 2027. The future commitments under employment agreements are summarized as follows:

<u>Years Ending September 30,</u>	
2024	\$ 1,180,000
2025	920,000
2026	920,000
2027	257,917
	<u>\$ 3,277,917</u>

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of September 30, 2023 was comprised of the following:

	<u>Prior Year</u>	<u>Increase</u>	<u>Releases</u>	<u>End of Year</u>
Program Grants	\$ 250,000	\$ 2,023,000	\$ (2,160,500)	\$ 112,500
Restricted Individual Gifts	-	228,841	(228,841)	-
Gift Annuity Program	86,800	10,387	-	97,187
	<u>\$ 336,800</u>	<u>\$ 2,262,228</u>	<u>\$ (2,389,341)</u>	<u>\$ 209,687</u>

The following is a summary of changes in the annuity assets during the year ended September 30, 2023:

Beginning of the year	\$ 140,074
Investment income (loss)	8,806
Payments made to annuitants	(7,811)
Fees	(1,074)
Transfer from cash account	7,811
	<u>\$ 147,806</u>

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**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS – (CONTINUED)**

The following is a summary of changes in the gift annuity liability during the year ended September 30, 2023:

Beginning of year	\$ 53,274
Change in annuity obligation	5,156
Payments made to annuitants	<u>(7,811)</u>
	<u>\$ 50,619</u>