

Multiple Myeloma Research Foundation, Inc.

Financial Statements

December 31, 2013 and 2012

Independent Auditors' Report

The Board of Directors Multiple Myeloma Research Foundation, Inc.

We have audited the accompanying Parent Company only financial statements which comprise the statements of financial position of Multiple Myeloma Research Foundation, Inc. (the "Foundation") as of December 31, 2013 and 2012 and the related Parent Company only statements of activities, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 Parent Company only financial statements referred to above present fairly, in all material respects, the financial position of Multiple Myeloma Research Foundation, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP
One Stamford Landing, 62 Southfield Ave., Stamford, CT 06902 | Tel: 203.323.2400 | Fax: 203.967.8733 | www.odpkf.com

Consolidated Financial Statements of Multiple Myeloma Research Foundation, Inc. and its Affiliate

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Multiple Myeloma Research Foundation, Inc. and its affiliate (Multiple Myeloma Research Consortium, Inc.) as of December 31, 2013 and 2012, and the related consolidated statements of income, retained earnings, and cash flows for the years then ended (none of which is presented herein), and we expressed an unmodified opinion on those financial statements. Such consolidated financial statements are the general-purpose financial statements of Multiple Myeloma Research Foundation, Inc. and its affiliate, and the financial statements of parent company presented herein are not a valid substitute for those consolidated financial statements.

O'Connor Davies, LLP

Stamford, Connecticut
April 16, 2014

Multiple Myeloma Research Foundation, Inc.

Statements of Financial Position (Parent Company only)

	December 31,	
	2013	2012
ASSETS		
Cash and cash equivalents	\$ 5,799,962	\$ 5,319,374
Investments	6,627,179	6,557,654
Contributions receivable, net	9,067,369	11,114,385
Receivable from Multiple Myeloma Research Consortium	79,137	178,208
Prepaid expenses	416,278	602,396
Other assets	101,920	101,920
Property and equipment, net	344,376	248,745
	\$ 22,436,221	\$ 24,122,682
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 920,557	\$ 2,071,649
Research awards payable, net	3,091,372	4,648,000
Research grants payable to Multiple Myeloma Research Consortium	2,088,000	1,141,085
Deferred revenue	469,104	447,891
Total Liabilities	6,569,033	8,308,625
Net Assets		
Unrestricted	6,906,440	4,690,392
Temporarily restricted	8,960,748	11,123,665
Total Net Assets	15,867,188	15,814,057
	\$ 22,436,221	\$ 24,122,682

See notes to financial statements

Multiple Myeloma Research Foundation, Inc.

Statements of Activities (Parent Company only)

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 5,545,550	\$ 3,727,968	\$ 9,273,518	\$ 4,967,112	\$ 4,920,690	\$ 9,887,802
Foundation grants	6,676,708	-	6,676,708	7,350,701	900,000	8,250,701
Fee for service	810,010	-	810,010	5,006,210	-	5,006,210
In-kind contributions	150,521	-	150,521	344,623	-	344,623
Net assets released from restriction	5,890,885	(5,890,885)	-	5,851,191	(5,851,191)	-
	<u>19,073,674</u>	<u>(2,162,917)</u>	<u>16,910,757</u>	<u>23,519,837</u>	<u>(30,501)</u>	<u>23,489,336</u>
Special Events						
Special event support	8,960,970	-	8,960,970	8,650,871	-	8,650,871
Special event in-kind support	42,000	-	42,000	45,000	-	45,000
Net of direct donor benefit expenses	(2,609,606)	-	(2,609,606)	(2,621,075)	-	(2,621,075)
	<u>6,393,364</u>	<u>-</u>	<u>6,393,364</u>	<u>6,074,796</u>	<u>-</u>	<u>6,074,796</u>
Investment return	66,306	-	66,306	308,598	-	308,598
Total Public Support and Revenue	<u>25,533,344</u>	<u>(2,162,917)</u>	<u>23,370,427</u>	<u>29,903,231</u>	<u>(30,501)</u>	<u>29,872,730</u>
EXPENSES						
Program						
Research	14,542,375	-	14,542,375	20,227,722	-	20,227,722
Education	1,962,185	-	1,962,185	2,087,083	-	2,087,083
Awareness	1,201,531	-	1,201,531	805,611	-	805,611
Other program expenses	2,705,654	-	2,705,654	2,640,914	-	2,640,914
Total Program Expenses	<u>20,411,745</u>	<u>-</u>	<u>20,411,745</u>	<u>25,761,330</u>	<u>-</u>	<u>25,761,330</u>
Supporting Services						
Management & general	550,709	-	550,709	673,250	-	673,250
Fundraising	2,354,842	-	2,354,842	2,181,259	-	2,181,259
Total Supporting Services	<u>2,905,551</u>	<u>-</u>	<u>2,905,551</u>	<u>2,854,509</u>	<u>-</u>	<u>2,854,509</u>
Total Expenses	<u>23,317,296</u>	<u>-</u>	<u>23,317,296</u>	<u>28,615,839</u>	<u>-</u>	<u>28,615,839</u>
Change in Net Assets	2,216,048	(2,162,917)	53,131	1,287,392	(30,501)	1,256,891
NET ASSETS						
Beginning of year	<u>4,690,392</u>	<u>11,123,665</u>	<u>15,814,057</u>	<u>3,403,000</u>	<u>11,154,166</u>	<u>14,557,166</u>
End of year	<u>\$ 6,906,440</u>	<u>\$ 8,960,748</u>	<u>\$ 15,867,188</u>	<u>\$ 4,690,392</u>	<u>\$ 11,123,665</u>	<u>\$ 15,814,057</u>

See notes to financial statements

Multiple Myeloma Research Foundation, Inc.

Statement of Functional Expenses (Parent Company only)

Year Ended December 31, 2013

	Program Services				Management & General	Fundraising	Total
	Research	Education	Awareness	Other Program Expenses			
EXPENSES							
Research grants	\$ 3,045,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,045,275
Research grants Multiple Myeloma Research Consortium	4,016,000	-	-	-	-	-	4,016,000
LS Study	5,964,979	-	-	-	-	-	5,964,979
Onyx EAP	1,221,210	-	-	-	-	-	1,221,210
Continuing medical education	-	425,986	-	-	425,986	-	425,986
Institutional educational programs	-	159,382	-	-	159,382	-	159,382
Newsletter	-	201,776	10,620	-	212,396	-	212,396
Patient and clinician outreach	-	1,144,741	-	-	1,144,741	-	1,144,741
Medical meetings and awareness	-	-	831,219	-	831,219	-	831,219
Public relations	-	-	231,179	-	231,179	-	231,179
Salaries and related expenses	-	-	-	2,094,278	2,094,278	426,269	3,706,687
Other fundraising expenses	-	-	-	-	-	118,000	118,000
Website expenses	-	-	-	-	-	1,419	1,419
Brochures, printing, design and mailing	-	478	80,616	-	81,094	-	528,938
Travel	-	-	39,956	-	39,956	-	84,494
Consulting	-	7,524	7,941	228,747	244,212	46,559	613,193
Occupancy	-	-	-	139,289	139,289	28,351	246,529
Travel and meals	-	-	-	9,206	9,206	1,874	16,295
Telephone	-	-	-	29,652	29,652	6,035	52,481
Office expenses	-	-	-	48,998	48,998	9,973	86,722
Professional fees	206,689	-	-	21,786	228,475	4,434	245,248
Recruiting costs	-	-	-	12,267	12,267	2,497	21,711
Temporary help	-	2,920	-	3,543	6,463	721	18,652
Board/committee meetings	-	-	-	1,270	1,270	259	2,248
Insurance	-	-	-	43,829	43,829	8,921	77,574
Miscellaneous	-	-	-	61,762	61,762	12,571	109,316
Depreciation	88,222	19,378	-	11,027	118,627	2,245	135,422
Total Expenses	\$ 14,542,375	\$ 1,962,185	\$ 1,201,531	\$ 2,705,654	\$ 20,411,745	\$ 550,709	\$ 23,317,296

See notes to financial statements

Multiple Myeloma Research Foundation, Inc.

Statement of Functional Expenses (Parent Company only)

Year Ended December 31, 2012

	Program Services				Total Program Expenses	Management & General	Fundraising	Total
	Research	Education	Awareness	Other Program Expenses				
EXPENSES								
Research grants	\$ 3,214,108	\$ -	\$ -	\$ -	\$ 3,214,108	\$ -	\$ -	\$ 3,214,108
Research grants Multiple Myeloma Research Consortium	4,575,085	-	-	-	4,575,085	-	-	4,575,085
LS Study	4,720,024	-	-	-	4,720,024	-	-	4,720,024
Onyx EAP	7,718,505	-	-	-	7,718,505	-	-	7,718,505
Continuing medical education	-	625,178	-	-	625,178	-	-	625,178
Institutional educational programs	-	203,621	-	-	203,621	-	-	203,621
Newsletter	-	83,386	-	-	83,386	-	4,389	87,775
Patient and clinician outreach	-	1,167,231	-	-	1,167,231	-	-	1,167,231
Medical meetings and awareness	-	-	514,596	-	514,596	-	-	514,596
Public relations	-	-	196,067	-	196,067	-	-	196,067
Salaries and related expenses	-	-	-	1,773,381	1,773,381	452,778	918,134	3,144,293
Other fundraising expenses	-	-	-	-	-	-	135,000	135,000
Website expenses	-	-	-	-	-	-	35,726	35,726
Brochures, printing, design and mailing	-	-	78,937	-	78,937	-	280,589	359,526
Travel	-	-	20	-	20	-	95,637	95,657
Consulting	-	7,667	15,991	156,283	179,941	39,902	346,684	566,527
Occupancy	-	-	-	112,667	112,667	28,766	58,331	199,764
Travel and meals	-	-	-	6,227	6,227	1,630	3,306	11,163
Telephone	-	-	-	31,014	31,014	7,918	16,057	54,989
Office expenses	-	-	-	46,339	46,339	11,831	23,991	82,161
Professional fees	-	-	-	293,061	293,061	74,826	151,726	519,613
Recruiting costs	-	-	-	32,603	32,603	8,324	16,880	57,807
Temporary help	-	-	-	3,015	3,015	770	1,561	5,346
Board/committee meetings	-	-	-	8,191	8,191	1,024	1,024	10,239
Insurance	-	-	-	48,184	48,184	12,302	24,946	85,432
Miscellaneous	-	-	-	75,476	75,476	19,271	39,076	133,823
Depreciation	-	-	-	54,473	54,473	13,908	28,202	96,583
Total Expenses	\$ 20,227,722	\$ 2,087,083	\$ 805,611	\$ 2,640,914	\$ 25,761,330	\$ 673,250	\$ 2,181,259	\$ 28,615,839

See notes to financial statements

Multiple Myeloma Research Foundation, Inc.

Statements of Cash Flows (Parent Company only)

	Year Ended December 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 53,131	\$ 1,256,891
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss/(gain) on investments	86,930	(121,973)
Depreciation	135,422	96,583
Changes in operating assets and liabilities		
Contributions receivable, net	2,047,016	(1,511,205)
Receivable from Multiple Myeloma Research Consortium	99,071	14,804
Prepaid expenses	186,118	51,507
Other assets	-	2,325
Accounts payable and accrued expenses	(1,151,092)	551,280
Research awards payable, net	(1,556,628)	(4,717,745)
Research grants payable to Multiple Myeloma Research Consortium	946,915	891,085
Deferred revenue	21,213	(594,850)
Net Cash from Operating Activities	868,096	(4,081,298)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(231,053)	(194,104)
Proceeds from sale of investments, net	2,843,545	1,684,987
Purchase of investments	(3,000,000)	(1,433,186)
Net Cash from Investing Activities	(387,508)	57,697
 Net Change in Cash and Cash Equivalents	 480,588	 (4,023,601)
CASH AND CASH EQUIVALENTS		
Beginning of year	5,319,374	9,342,975
 End of year	 \$ 5,799,962	 \$ 5,319,374

See notes to financial statements

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

1. The Foundation

The Multiple Myeloma Research Foundation, Inc. (the "Foundation" or "MMRF") is a not-for-profit organization whose purpose is to fund research for accelerating the search for a cure for multiple myeloma. The Foundation distributes research awards worldwide, fosters collaboration through symposia and provides information to patients and family members. The Foundation was incorporated on January 13, 1998.

The Foundation's fundraising efforts focus on generating enough resources to fund current year operations and the associated long term commitments to find a cure for myeloma.

The Foundation's financial statements do not include the operations of Multiple Myeloma Research Consortium (the "Consortium"), in which the Foundation has an economic interest and is the sole corporate member and is required to be consolidated in accordance with accepted accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly these are not the general purpose financial statements of the MMRF. Separate consolidated financial statements as of and for the years ended December 31, 2013 and 2012 of the Foundation and the Consortium were issued. Such consolidated financial statements are the general-purpose financial statements of Multiple Myeloma Research Foundation, Inc. and its affiliate, and the financial statements of parent company presented herein are not a valid substitute for those consolidated financial statements.

The Foundation is exempt from federal income taxes under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with U.S. GAAP, which 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 expenses during the reporting period. Accordingly actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. At December 31, 2013 and 2012, management has concluded that an allowance is not required.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

2. Summary of Significant Accounting Policies (continued)

Property, Equipment and Depreciation

Property and equipment are recorded at cost, or if received by donation, at estimated fair value at the time such items are recorded. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is provided using the straight-line method over estimated useful lives ranging from three to seven years.

Fair Value of Measurements

The Foundation follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments

Investments are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

The Foundation invests in a diversified, no load, short term, investment grade corporate bond fund in an effort to generate a somewhat higher yield on its short-term liquid assets than its holdings in overnight and money market funds.

Deferred Revenue

Deferred revenue consists of fee for service revenue and special event revenue received but not earned.

Contributions

Contributions are recorded in the statements of activities when promised. Unconditional promises to give that are due in future periods are reported at the present value of their net realizable value; using credit adjusted interest rates applicable to the years in which the promises are to be received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. At December 31, 2013 and 2012, the Foundation has no permanently restricted net assets.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

2. Summary of Significant Accounting Policies (*continued*)

Contributed Services

For the years ended December 31, 2013 and 2012, donated services totaled \$192,521 and \$389,623. Such services are included in the financial statements as in-kind donations along with the corresponding expenses. Donated services consisted of legal, consulting, printing and promotional services, including support for special events. In addition, a substantial number of volunteers have contributed their time to the Foundation's program and supporting services, none of which meet the requirements for financial statement recognition.

Functional Expenses

The Foundation allocates its expenses on a functional basis among its program and supporting services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Other expenses that are common to several functions are allocated based on estimates made by management.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2010.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 16, 2014.

3. Concentrations

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investment accounts, and contributions receivable. At times, cash and investment balances exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits.

At December 31, 2013 and 2012 approximately 45% and 50% of contributions receivable were from two donors.

The Foundation received approximately 27% in 2013 and 20% in 2012 of its total public support and revenue from its special events.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

4. Investments

Investments, categorized according to the fair value hierarchy, consist of the following at December 31:

	2013		
	Cost	Fair Value	Unrealized Gain
Level 1 Inputs			
Short term corporate bond fund	\$ 6,484,676	\$ 6,627,179	\$ 142,503
	2012		
	Cost	Fair Value	Unrealized Gain
Level 1 Inputs			
Short term corporate bond fund	\$ 6,484,676	\$ 6,556,521	\$ 71,845
Stocks	1,133	1,133	-
	<u>\$ 6,485,809</u>	<u>\$ 6,557,654</u>	<u>\$ 71,845</u>

Money market funds valued using Level 1 inputs presented as part of cash and cash equivalents was as follows as of December 31:

	2013	2012
Money market funds	<u>\$ 1,478,616</u>	<u>\$ 1,499,056</u>

Investment return, including interest on cash accounts, for the years ended December 31 is summarized as follows:

	2013	2012
Interest and dividend income	\$ 153,236	\$ 186,625
Unrealized and realized gains and (losses)	(86,930)	121,973
	<u>\$ 66,306</u>	<u>\$ 308,598</u>

At December 31, 2013 and 2012, the issues in the short-term corporate bond fund had an average credit rating of A and A, an average maturity of 3.2 and 3.0 years; an average duration of approximately 2.3 and 2.3 years, with an average yield of 1.69% and 1.26%.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

5. Contributions Receivable

Contributions receivable at December 31, are as follows:

	2013	2012
Receivable in less than one year	\$ 4,624,348	\$ 5,429,910
Receivable in one to five years	4,541,792	5,817,500
Receivable more than five years	131,250	175,000
Total contributions receivable	9,297,390	11,422,410
Less discount to net present value	(230,021)	(308,025)
	\$ 9,067,369	\$ 11,114,385

Contributions that are receivable over more than one year are discounted at a rate of 2.0% for the year ended December 31, 2012, and 3.0% for the year ended December 31, 2013.

6. Property and Equipment

At December 31, property and equipment and related accumulated depreciation consisted of the following:

	Estimated useful lives	2013	2012
Equipment	1 - 3 years	\$ 385,565	\$ 356,514
Leasehold improvements	3 - 4 years	40,475	40,475
Furniture and fixtures	3 - 6 years	46,407	46,407
Software	2 - 4 years	606,802	406,802
		1,079,249	850,198
Less accumulated depreciation		(734,873)	(601,453)
		\$ 344,376	\$ 248,745

7. Line of Credit

On August 14, 2013, the Foundation obtained a line of credit with a bank for \$1,500,000. The line of credit expires on June 1, 2014, unless extended. Borrowings under the line of credit bear interest at the London Interbank Offered Rate ("LIBOR") Daily Floating Rate (0.096% at December 31, 2013) plus 2.5%. All borrowings are collateralized by the receivables, inventory, and equipment of the Foundation. As of December 31, 2013, the Company is in compliance with all covenants. There were no amounts outstanding under this line of credit at December 31, 2013.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

8. Research and Grant Awards

The Foundation awards research grants at the recommendation of its medical/scientific advisory board. For the years ended December 31, the Foundation made the following awards:

	2013	2012
Multiple Myeloma Research Consortium award	\$ 4,016,000	\$ 4,575,085
Senior research awards	402,000	200,000
BIA grant	375,000	1,000,000
Fellows research award	375,000	375,000
Multiple Myeloma Translational Initiative	1,096,000	1,000,000
Epigenomics	500,000	-
Protomomics	151,515	-
Program grants	-	10,161
Research administration	445,760	763,909
Research roundtables	-	117,447
Rescinded grants	(300,000)	(258,409)
Present value discount	-	6,000
	\$ 7,061,275	\$ 7,789,193

Research awards to be paid in more than one year are discounted to present value using a rate of 2%. Grants authorized and payable of \$3,091,372 at December 31, 2013 are expected to be paid in 2014.

9. LS Study and Onyx EAP Study (unaudited)

Longitudinal Study (LS)

MMRF is the sponsor of a personalized medicine initiative in which up to 1,000 newly diagnosed patients will be enrolled through several sites (i.e., hospitals, academic medical centers and other community health centers) across the country. No experimental drug is used in the study. Rather, blood and bone marrow samples are taken from the patients periodically over the course of their treatment. The standard of care (i.e., drugs and treatment) for each patient is determined by such patient's personal physician. The tissue samples collected are placed in a bio-bank. An unrelated, third party, not-for-profit biomedical research institute would then perform laboratory tests on a portion of each of the samples resulting in genomic data about each patient.

At the end of 2013, 425 patients were enrolled, 198 patients have had tissue samples sequenced, and there were 81 medical sites participating in the study.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
December 31, 2013 and 2012

9. *LS Study and Onyx EAP Study (unaudited) (continued)*

ONYX EAP Study

In 2011, the Carfilzomib Expanded Access Program was started. Under an Expanded Access Program, the US Food and Drug Administration allows seriously ill patients who lack any treatment options to try a promising drug that is still under development.

Onyx Pharmaceuticals and the MMRF have established the Carfilzomib Myeloma Access Program (C-MAP), an expanded access program that makes carfilzomib available to eligible patients in the US with relapsed and refractory multiple myeloma. The MMRF's role in this program is to facilitate the program by outsourcing the project management component of the program to a Clinical Research Organization (CRO) who administers the program. In July of 2012, the FDA approved the launch of Carfilzomib (Kyprolis™). This marked the first new (and accelerated) drug approval for treatment of relapsed/refractory multiple myeloma in over six years and was the culmination of continuous MMRF's efforts throughout that time. Through 2013, 338 patients, without active treatment options, were given access to Carfilzomib prior to FDA approval through the Carfilzomib Myeloma Access Program. At the end of 2013, this project was closed.

10. Related Party Transactions

The Multiple Myeloma Research Consortium (MMRC) is a separate 501(c)(3) non-profit organization that brings together scientists at academic institutions to cure or arrest multiple myeloma. The MMRC integrates research efforts from leading myeloma research centers and creates a shared research environment to 1) rapidly identify and validate genomic targets for myeloma, 2) identify and validate compounds to address these targets, and 3) provide a resource for expediting clinical trials of these compounds to find a cure for multiple myeloma. During the years ended December 31, 2013 and 2012, the Foundation provided \$4,016,000 and \$4,575,085, of its research budget to the MMRC. At December 31, 2013 and 2012 \$2,088,000 and \$1,141,085 was payable to the MMRC.

As of December 31, 2013 and 2012, the MMRF has a receivable from the MMRC of \$79,137 and \$178,208 for expenses such as payroll and administrative overhead incurred on their behalf. These short-term, non-interest receivables and payables between the two organizations arise in the normal course of operations.

Multiple Myeloma Research Foundation, Inc.

Notes to Financial Statements (Parent Company only)
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11. Restrictions of Net Assets

Net assets released from restrictions and disbursed during the years ended December 31, consist of the following:

	<u>2013</u>	<u>2012</u>
Educational programs	\$ 5,000	\$ 185,000
Subsequent years	1,592,199	1,245,000
Personalized medicine & epigenetics	-	500,000
Senior award	300,000	-
Onyx EAP project management	869,000	3,152,636
Multiple Myeloma Translational Initiative	1,000,000	-
CoMMpass Study	800,000	-
Website and related costs	25,000	50,000
Call Center	50,000	-
Teleconference	42,690	75,000
Institutional Insights	185,000	-
General research	100,000	-
Patient Navigator	-	25,000
Newsletter and related costs	-	110,000
Drug development	1,000,000	225,000
Clinical insights	-	190,000
Online community	-	75,000
Other	-	50,000
Present value discount	<u>(78,004)</u>	<u>(31,445)</u>
	<u>\$ 5,890,885</u>	<u>\$ 5,851,191</u>

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11. Restrictions of Net Assets (continued)

Temporarily restricted net assets as of December 31, were available for the following purpose:

	<u>2013</u>	<u>2012</u>
Educational programs	\$ 45,000	\$ 5,000
Subsequent years	6,069,769	7,055,000
Personalized medicine & epigenetics	500,000	-
Senior award	-	300,000
Onyx EAP project management	-	869,000
Website and related costs	75,000	25,000
Call Center	20,000	50,000
Multiple Myeloma Translational Initiative	1,000,000	1,000,000
CoMMpass Study	-	800,000
Teleconference	-	42,690
Institutional Insights	-	185,000
General research	-	100,000
Newsletter and related costs	85,000	-
Drug development	505,000	1,000,000
Other	25,000	-
Online community	150,000	-
George Fabian Fund	716,000	-
Present value discount	<u>(230,021)</u>	<u>(308,025)</u>
	<u>\$ 8,960,748</u>	<u>\$ 11,123,665</u>

12. Lease Commitments

In March 2012, the MMRF extended their lease which now expires on July 31, 2020. Minimum annual rentals under the lease payable as follows:

<u>Years ending December 31,</u>	<u>Minimum Lease Commitment</u>
2014	\$ 255,876
2015	262,967
2016	270,058
2017	277,150
2018	284,241
Thereafter	<u>463,689</u>
	<u>\$ 1,813,981</u>

Rent expense amounted to \$233,145 and \$189,768 for the years ended December 31, 2013 and 2012.
