



**The Multiple Myeloma Research Foundation, Inc.  
and Affiliates**

Consolidated Financial Statements

December 31, 2015 and 2014

## Independent Auditors' Report

### The Board of Directors

### The Multiple Myeloma Research Foundation, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of The Multiple Myeloma Research Foundation, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Multiple Myeloma Research Foundation, Inc. and Affiliates as of December 31, 2015 and 2014 and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*PKF O'Connor Davies, LLP*  
Stamford, Connecticut  
April 27, 2016

## The Multiple Myeloma Research Foundation, Inc. and Affiliates

### Consolidated Statements of Financial Position

	December 31,	
	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,590,856	\$ 6,751,534
Investments	6,831,107	6,752,776
Contributions receivable, net	6,210,420	8,932,779
Fees for service receivable	1,276,372	351,184
Prepaid expenses	578,038	470,805
Other assets	101,920	101,920
Investments - other	550,000	-
Property and equipment, net	824,685	862,760
	\$ 22,963,398	\$ 24,223,758
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 551,646	\$ 1,157,605
Research projects payable	-	17,495
Research awards payable, net	2,539,432	1,493,905
Research grants payable	1,430,000	1,385,000
Deferred revenue	1,503,554	1,406,035
Total Liabilities	6,024,632	5,460,040
Net Assets		
Unrestricted	8,534,457	8,553,621
Temporarily restricted	8,404,309	10,210,097
Total Net Assets	16,938,766	18,763,718
	\$ 22,963,398	\$ 24,223,758

See notes to consolidated financial statements

**The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Consolidated Statements of Activities

	Year Ended December 31, 2015			Year Ended December 31, 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	\$ 7,236,966	\$ 3,193,610	\$ 10,430,576	\$ 4,885,580	\$ 5,330,500	\$ 10,216,080
Foundation grants	7,542,882	-	7,542,882	7,850,301	-	7,850,301
Fee for service	2,948,004	-	2,948,004	878,000	-	878,000
In-kind contributions	146,377	-	146,377	210,000	-	210,000
Net assets released from restriction	4,631,398	(4,631,398)	-	4,081,151	(4,081,151)	-
	<u>22,505,627</u>	<u>(1,437,788)</u>	<u>21,067,839</u>	<u>17,905,032</u>	<u>1,249,349</u>	<u>19,154,381</u>
Special Events						
Special event support	10,578,021	-	10,578,021	10,261,158	-	10,261,158
Net of direct donor benefit expenses	(3,926,485)	-	(3,926,485)	(2,927,000)	-	(2,927,000)
	<u>6,651,536</u>	<u>-</u>	<u>6,651,536</u>	<u>7,334,158</u>	<u>-</u>	<u>7,334,158</u>
Investment return	71,422	-	71,422	99,730	-	99,730
Total Public Support and Revenue	<u>29,228,585</u>	<u>(1,437,788)</u>	<u>27,790,797</u>	<u>25,338,920</u>	<u>1,249,349</u>	<u>26,588,269</u>
<b>EXPENSES</b>						
Program						
Research	19,002,925	-	19,002,925	16,657,964	-	16,657,964
Education	3,935,287	-	3,935,287	3,352,633	-	3,352,633
Awareness	2,806,094	-	2,806,094	2,323,773	-	2,323,773
Total Program Expenses	<u>25,744,306</u>	<u>-</u>	<u>25,744,306</u>	<u>22,334,370</u>	<u>-</u>	<u>22,334,370</u>
Supporting Services						
Management & general	625,834	-	625,834	707,470	-	707,470
Fundraising	3,245,609	-	3,245,609	2,895,145	-	2,895,145
Total Supporting Services	<u>3,871,443</u>	<u>-</u>	<u>3,871,443</u>	<u>3,602,615</u>	<u>-</u>	<u>3,602,615</u>
Total Expenses	<u>29,615,749</u>	<u>-</u>	<u>29,615,749</u>	<u>25,936,985</u>	<u>-</u>	<u>25,936,985</u>
Change in Net Assets	(387,164)	(1,437,788)	(1,824,952)	(598,065)	1,249,349	651,284
<b>NET ASSETS</b>						
Beginning of year	<u>8,553,621</u>	<u>10,210,097</u>	<u>18,763,718</u>	<u>9,151,686</u>	<u>8,960,748</u>	<u>18,112,434</u>
End of year	<u>\$ 8,166,457</u>	<u>\$ 8,772,309</u>	<u>\$ 16,938,766</u>	<u>\$ 8,553,621</u>	<u>\$ 10,210,097</u>	<u>\$ 18,763,718</u>

See notes to consolidated financial statements

**The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2015

	Program Services			Total Program Expenses	Management & General	Fundraising	Total
	Research	Education	Awareness				
<b>EXPENSES</b>							
Research grants	\$ 5,530,889	\$ -	\$ -	\$ 5,530,889	\$ -	\$ -	\$ 5,530,889
Site investment grants	1,437,500	-	-	1,437,500	-	-	1,437,500
LS Study	6,584,644	-	-	6,584,644	-	-	6,584,644
Tissue banking	493,391	-	-	493,391	-	-	493,391
Clinical trials	2,537,551	-	-	2,537,551	-	-	2,537,551
Infrastructure/other programming	9,126	-	-	9,126	-	-	9,126
Continuing medical education	-	421,881	-	421,881	-	-	421,881
Institutional educational programs	-	397,886	-	397,886	-	-	397,886
Newsletter	-	56,850	2,992	59,842	-	-	59,842
Patient and clinician outreach	-	2,393,354	-	2,393,354	-	-	2,393,354
Medical meetings and awareness	-	-	876,516	876,516	-	-	876,516
Public relations	-	-	508,468	508,468	-	-	508,468
Salaries and related expenses	1,789,705	464,789	812,045	3,066,539	464,789	1,811,075	5,342,403
Other fundraising expenses	-	-	-	-	-	131,000	131,000
Website expenses	-	-	375	375	-	101,555	101,930
Brochures, printing, design and mailing	-	3,901	235,877	239,778	-	389,217	628,995
Travel	-	3,299	61,903	65,202	-	70,793	135,995
Consulting	149,251	62,727	94,271	306,249	38,761	240,533	585,543
Occupancy	110,656	28,738	50,208	189,602	28,738	111,977	330,317
Travel and meals	19,653	5,104	8,917	33,674	5,104	19,888	58,666
Telephone	20,352	5,286	9,234	34,872	5,286	20,595	60,753
Office expenses	28,922	7,511	13,123	49,556	7,511	29,267	86,334
Professional fees	63,984	16,617	29,032	109,633	16,617	64,748	190,998
Recruiting costs	19,315	5,016	8,764	33,095	5,016	19,546	57,657
Temporary help	12,678	11,609	5,753	30,040	3,293	37,778	71,111
Board/committee meetings	1,197	311	543	2,051	311	1,212	3,574
Insurance	42,563	11,054	19,312	72,929	11,054	43,071	127,054
Miscellaneous	33,800	8,775	15,335	57,910	8,775	34,200	100,885
Depreciation	117,748	30,579	53,426	201,753	30,579	119,154	351,486
<b>Total Expenses</b>	<b>\$ 19,002,925</b>	<b>\$ 3,935,287</b>	<b>\$ 2,806,094</b>	<b>\$ 25,744,306</b>	<b>\$ 625,834</b>	<b>\$ 3,245,609</b>	<b>\$ 29,615,749</b>

See notes to consolidated financial statements

**The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2014

	Program Services			Total Program Expenses	Management & General	Fundraising	Total
	Research	Education	Awareness				
<b>EXPENSES</b>							
Research grants	\$ 3,479,685	\$ -	\$ -	\$ 3,479,685	\$ -	\$ -	\$ 3,479,685
Genomics Flagship Project	166,203	-	-	166,203	-	-	166,203
Site investment grants	1,251,558	-	-	1,251,558	-	-	1,251,558
LS Study	7,519,431	-	-	7,519,431	-	-	7,519,431
Tissue banking	373,037	-	-	373,037	-	-	373,037
Clinical trials	1,177,029	-	-	1,177,029	-	-	1,177,029
Infrastructure/other programming	109,569	-	-	109,569	-	-	109,569
Tissue collection	14,660	-	-	14,660	-	-	14,660
Continuing medical education	-	662,892	-	662,892	-	-	662,892
Institutional educational programs	-	212,539	-	212,539	-	-	212,539
Newsletter	-	86,620	4,559	91,179	-	-	91,179
Patient and clinician outreach	-	1,478,090	-	1,478,090	-	-	1,478,090
Medical meetings and awareness	-	-	514,302	514,302	-	-	514,302
Communications	10,719	-	-	10,719	-	-	10,719
Public relations	-	-	349,774	349,774	-	-	349,774
Salaries and related expenses	1,744,100	521,093	781,640	3,046,833	493,731	1,246,904	4,787,468
Other fundraising expenses	-	-	-	-	-	118,000	118,000
Website expense	-	-	-	-	-	133,290	133,290
Brochures, printing, design, and mailing	-	130,469	245,693	376,162	-	654,528	1,030,690
Travel	-	2,522	71,205	73,727	-	79,140	152,867
Consulting	278,827	79,593	97,890	456,310	36,269	231,551	724,130
Occupancy	100,711	39,521	59,282	199,514	35,703	94,569	329,786
Travel and meals	2,387	1,714	2,571	6,672	1,469	4,101	12,242
Telephone	9,239	6,634	9,950	25,823	5,686	15,873	47,382
Office expenses	104,187	11,291	16,937	132,415	14,481	27,019	173,915
Professional fees	94,999	41,018	61,529	197,546	50,582	98,153	346,281
Recruiting costs	10,088	7,242	10,864	28,194	6,208	17,330	51,732
Temporary help	7,738	11,898	8,333	27,969	4,762	32,322	65,053
Board/committee meetings	44,795	754	1,130	46,679	4,243	1,802	52,724
Insurance	90,938	14,362	21,543	126,843	16,045	34,367	177,255
Miscellaneous	24,894	17,873	26,809	69,576	12,535	42,766	124,877
Depreciation	43,170	26,508	39,762	109,440	25,756	63,430	198,626
<b>Total Expenses</b>	<b>\$ 16,657,964</b>	<b>\$ 3,352,633</b>	<b>\$ 2,323,773</b>	<b>\$ 22,334,370</b>	<b>\$ 707,470</b>	<b>\$ 2,895,145</b>	<b>\$ 25,936,985</b>

See notes to consolidated financial statements

**The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,824,952)	\$ 651,284
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss on investments	74,231	40,449
Depreciation	351,486	198,626
Donation of private company stock	(550,000)	-
Changes in operating assets and liabilities		
Contributions receivable, net	2,722,359	134,590
Prepaid expenses	(107,233)	105,015
Accounts payable and accrued expenses	(605,959)	151,534
Research projects payable	(942,683)	(351,184)
Research awards payable, net	1,045,527	(1,597,467)
Research grants payable	45,000	295,000
Deferred revenue	97,519	936,931
Net Cash from Operating Activities	305,295	564,778
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(313,411)	(710,512)
Proceeds from sale of investments	-	2,258,289
Purchase of investments	(152,562)	(2,424,335)
Net Cash from Investing Activities	(465,973)	(876,558)
 Net Change in Cash and Cash Equivalents	(160,678)	(311,780)
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	6,751,534	7,063,314
End of year	\$ 6,590,856	\$ 6,751,534

See notes to consolidated financial statements

# The Multiple Myeloma Research Foundation, Inc. and Affiliates

## Notes to Consolidated Financial Statements December 31, 2015 and 2014

### 1. Organization

The Multiple Myeloma Research Foundation, Inc.'s (the "Foundation" or "MMRF") 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 resources to fund current year operations and the associated long term commitments to find a cure for myeloma.

MMRC, Inc. (the "Consortium" or "MMRC") was a not-for-profit organization that shared common facilities, personnel and board of directors with MMRF. The Foundation had an economic interest in and was the sole member of the Consortium. The Consortium's purpose was to integrate leading academic institutions to accelerate drug development for multiple myeloma and improve patient outcome. On June 10, 2014 the board of directors of the Consortium and MMRF elected to merge as of December 31, 2014 with MMRF as the surviving entity. The MMRF's Board of Directors determined the assets of the Consortium would help MMRF achieve its mission. Therefore, effective December 31, 2014 the Consortium merged their assets and liabilities with MMRF. The Consortium then ceased to exist. MMRF provided no consideration to acquire the assets and assume the liabilities of the Consortium. There was no contingent consideration or liabilities connected to the merger. Since the Consortium was previously a consolidated entity this merger had no impact on these financial statements.

During 2014 Multiple Myeloma Research Consortium, LLC ("MMRC, LLC") and MMRF, LLC were formed as wholly owned single member limited liability companies. There was no activity for either of these companies during 2014. The MMRC, LLC is the first collaborative research organization of its kind. It brings together academic and community cancer centers with industry, to advance innovative Phase 1 and Phase 2 clinical trials of today's most promising drug candidates. In 2015, MMRC, LLC opened 6 clinical trials and enrolled over 260 patients in 19 active and open trials.

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

### 2. Summary of Significant Accounting Policies

#### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of the Foundation, the Consortium, MMRC, LLC and MMRF, LLC (collectively, "The Organization"). All material inter-organizational balances and transactions have been eliminated in consolidation.

#### ***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("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.



## The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

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

#### ***Cash and Cash Equivalents***

The Organization 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 recorded based on a combination of write-off history, aging analysis and any specific known troubled accounts. At December 31, 2015 and 2014, management has concluded that an allowance is not required.

#### ***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 received. 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 of the assets which range 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 - Other***

The Foundation has an investment in common stock of a certain privately-held company in the medical industry that is accounted for using the cost method. The total cost of the Foundation's investment in this company is \$550,000 and \$0 as of December 31, 2015 and 2014.

This investment has not been evaluated for impairment. The Foundation's management did not identify any events or changes in circumstances that might have an adverse effect on the value of this investment.

#### ***Investments***

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

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

## **The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

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

#### ***Deferred Revenue***

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

#### ***Contributions***

Contributions are recorded in the consolidated statement 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 expected to be received. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are received. 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. The Organization had no permanently restricted net assets as of December 31, 2015 and 2014.

#### ***Contributed Services***

For the years ended December 31, 2015 and 2014, donated services totaled \$209,843 and \$192,521. Such services are included in the consolidated 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 Organization's program and supporting services, none of which meet the requirements for financial statement recognition.

#### ***Functional Expenses***

The Organization 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 Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

#### ***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 27, 2016.

## The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

### 3. Concentrations

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

At December 31, 2015 approximately \$1,875,000 or 25% of contributions receivable was receivable from one donor. At December 31, 2014 approximately \$2,500,000 or 27% of contributions receivable was from one donor.

The Organization received approximately 24% in 2015 and 28% in 2014 of its total public support and revenue from its special events.

### 4. Investments

Investments consist of the following at December 31 and were valued using Level 1 inputs.

	2015		
	Cost	Fair Value	Unrealized Loss
Level 1 Inputs			
Short term corporate bond fund	<u>\$ 6,935,771</u>	<u>\$ 6,831,107</u>	<u>\$ (104,664)</u>
	2014		
	Cost	Fair Value	Unrealized Loss
Level 1 Inputs			
Short term corporate bond fund	<u>\$ 6,790,118</u>	<u>\$ 6,752,776</u>	<u>\$ (37,342)</u>

Investments carried at cost consist of stock in a privately-held company (the "Company") donated to the Organization in 2015. The initial cost of the shares was established at fair value using Level 3 inputs based on the price other stockholders in the company paid for shares in the Company. The donor has pledged that the Organization will receive at least \$550,000 if the Company has its initial public offering ("IPO"). If the proceeds to MMRF from the IPO are less than \$550,000, the donor has agreed to fund the difference between the \$550,000 and the proceeds from the IPO. If the proceeds from the IPO are greater than \$550,000, MMRF can keep the excess proceeds. MMRF bears the risk if the Company does not have an IPO. The Company's management estimates having an IPO within 2-3 years.

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

	2015	2014
Money market funds	<u>\$ 1,479,415</u>	<u>\$ 1,478,616</u>

## The Multiple Myeloma Research Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements December 31, 2015 and 2014

#### 4. Investments (continued)

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

	2015	2014
Interest and dividend income	\$ 145,653	\$ 140,179
Net unrealized losses	(74,231)	(40,449)
	\$ 71,422	\$ 99,730

At December 31, 2015 and 2014, the issues in the short-term corporate bond fund had an average credit rating of A and A, according to Moody's Investor Services and Standard and Poor's, an average maturity of 3.2 and 3.0 years; an average duration of approximately 2.6 and 2.5 years, with an average yield of 2.34% and 1.57%.

#### 5. Contributions Receivable

Contributions receivable at December 31 are due as follows:

	2015	2014
Receivable in less than one year	\$ 3,818,187	\$ 4,432,313
Receivable in one to five years	2,488,076	4,618,119
Receivable in more than five years	-	65,625
Total contributions receivable	6,306,263	9,116,057
Less discount to net present value	(95,843)	(183,278)
	\$ 6,210,420	\$ 8,932,779

Pledges receivable with due dates extending beyond one year are discounted rates at December 31, 2015 and 2014 between 2.0% and 4.0%.

#### 6. Property and Equipment

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

	Estimated useful lives	2015	2014
Equipment	1 - 3 years	\$ 470,310	\$ 411,206
Leasehold improvements	3 - 4 years	40,475	40,475
Furniture and fixtures	3 - 6 years	46,407	46,407
Software	2 - 4 years	1,545,980	1,291,673
		2,103,172	1,789,761
Less accumulated depreciation		(1,278,487)	(927,001)
		\$ 824,685	\$ 862,760

## The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

### 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 July 1, 2016, 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, 2015) plus 2.5%. All borrowings are collateralized by the receivables and equipment of the Foundation. As of December 31, 2015, the Foundation is in compliance with all covenants. There were no amounts outstanding under this line of credit at December 31, 2015 and 2014.

### 8. Related Party Transactions

For the years ended December 31, 2015 and 2014, MMRF received contributions from the members of the board of directors totaling approximately \$78,000 or .27% and \$1,379,000 or 5% of total contribution income, respectively. For the years ended December 31, 2015 and 2014, approximately \$2,500,000 or 33% and \$3,000,000 or 32% of contributions receivable included multi-year gifts pledged from board members, respectively.

During the years ended December 31, 2015 and 2014 MMRF held a minority interest in two for-profit companies. MMRF received ownership in these entities as part of the service agreement executed when MMRF hired them to perform services for MMRF. MMRF considered the payments under the services agreement to be solely for services rendered and did not allocate any portion to investment in the entities. Additionally, MMRF considers any cost that would have been allocated, based on the financial condition of the entities, to be immaterial to the consolidated financial statements. Accordingly, no investment in the entities has been recorded. MMRF owns a 2% interest in one of the companies and incurred expenses for bio lab and information technology services totaling approximately \$292,000 and \$173,000 for 2015 and 2014, respectively. MMRF owns a 5% interest in the second company and there were no related party transactions in 2015 and 2014.

### 9. Research Awards

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

	2015	2014
Senior research awards	\$ 1,000,000	\$ 1,000,000
Fellows research award	337,500	475,000
Genomic data analysis	657,066	608,130
Multiple Myeloma Translational Initiative	-	150,000
Epigenomics	500,000	500,000
Immunotherapy	332,000	-
Precision medicine	116,120	-
Program grants	1,059,084	37,800
Research administration	651,698	486,586
Research roundtables	130,281	122,171
Translational core	747,140	300,000
Rescinded grants	-	(200,002)
	<u>\$ 5,530,889</u>	<u>\$ 3,479,685</u>

Grants and awards authorized and payable of \$3,969,432 at December 31, 2015 are expected to be paid within the next 12 months.

## The Multiple Myeloma Research Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

### 10. LS Study (unaudited)

#### *Longitudinal Study (LS)*

The MMRF Longitudinal Study (CoMMpass) was started in 2011 and continues in 2015. 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 2015, the study exceeded its goal of enrolling 1,000 patients and enrolled 1,029 patients and more than 84 medical sites have joined the study. Also, the study has been expanded to include patients in Spain.

### 11. Restrictions and Designation of Net Assets

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

	2015	2014
Subsequent years	\$ 2,825,958	\$ 2,132,894
Brochures	30,000	-
Call Center	25,000	20,000
Clinical insights	-	150,000
CoMMpass Study	5,000	-
Drug development	292,500	50,000
Fellow award	10,000	-
George Fabian Fund	4,000	-
Immunotherapy	316,375	-
Institutional Insights	150,000	-
Multiple Myeloma Translational Initiative	10,000	1,000,000
Newsletter and related costs	85,000	110,000
Online community	505,000	-
Other	-	45,000
Patient data bank	250,000	-
Personalized medicine & epigenetics	-	500,000
Roundtable	50,000	-
Senior award	-	45,000
Teleconference	10,000	-
Webcast	75,000	-
Website and related costs	75,000	75,000
Present value discount	(87,435)	(46,743)
	\$ 4,631,398	\$ 4,081,151

**The Multiple Myeloma Research Foundation, Inc. and Affiliates**

Notes to Consolidated Financial Statements  
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**11. Restrictions and Designation of Net Assets (continued)**

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

	2015	2014
Time restricted	\$ 5,342,152	\$ 6,489,875
Brochures and magazine	110,000	-
Call Center	10,000	25,000
Clinical insights	135,000	-
CoMMpass Study	-	5,000
Drug development	201,000	267,500
Fellow award	90,000	100,000
General research	25,000	-
George Fabian Fund	712,000	716,000
Immunotherapy	968,000	1,425,000
Institutional Insights	-	150,000
Multiple Myeloma Translational Initiative	90,000	100,000
Newsletter and related costs	15,000	115,000
Next generation therapies	85,000	-
Online community	550,000	505,000
Other	100,000	-
Patient Databank	-	250,000
Personalized medicine & epigenetics	50,000	-
Regional nursing program	150,000	-
Roundtables	-	50,000
Teleconference	-	10,000
Tissue study	75,000	35,000
Webcast	50,000	-
Website and related costs	110,000	150,000
Present value discount	(95,843)	(183,278)
	<u>\$ 8,772,309</u>	<u>\$ 10,210,097</u>

**12. Lease Commitments**

In March 2012, the Foundation extended their lease which, as extended, expires on July 31, 2020. Minimum annual rentals under the lease at December 31, 2015 are payable as follows:

<u>Years ending December 31,</u>	<u>Minimum Lease Commitment</u>
2016	\$ 270,058
2017	277,150
2018	284,241
2019	291,332
2020	172,357
	<u>\$ 1,295,138</u>

Rent expense amounted to \$314,163 and \$280,897 for December 31, 2015 and 2014.

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