

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

Consolidated Financial Statements

December 31, 2023 and 2022



INDEPENDENT AUDITORS' REPORT

**The Board of Directors
The Multiple Myeloma Research Foundation, Inc. and Subsidiaries**

Opinion

We have audited the accompanying consolidated financial statements of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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.

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 Subsidiaries as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Multiple Myeloma Research Foundation, Inc. and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Multiple Myeloma Research Foundation, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

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assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Multiple Myeloma Research Foundation, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Multiple Myeloma Research Foundation, Inc. and Subsidiaries' 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.

PKF O'Connor Davies, LLP

May 1, 2024

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 4,858,594	\$ 18,153,058
Investments	48,157,559	41,091,535
Contributions and grants receivable, net	3,195,258	5,229,372
Accounts receivable and contract assets	2,613,819	6,812,680
Other receivables	1,125,578	1,461,930
Prepaid expenses	715,352	896,043
Programmatic investments	16,363,985	11,719,698
Other assets	91,977	91,977
Operating lease right-of-use asset	467,812	677,242
Property and equipment, net	2,637,698	2,964,126
	\$ 80,227,632	\$ 89,097,661
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and research awards payable	\$ 7,506,629	\$ 3,937,573
Accrued expenses and research grants payable	12,890,968	11,278,974
Deferred revenue	2,808,555	9,131,077
Operating lease liability	736,056	1,060,123
Total Liabilities	23,942,208	25,407,747
Net Assets		
Without donor restrictions	53,786,450	56,121,149
With donor restrictions	2,498,974	7,568,765
Total Net Assets	56,285,424	63,689,914
	\$ 80,227,632	\$ 89,097,661

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Consolidated Statements of Activities

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Contributions and grants	\$ 15,653,990	\$ 713,774	\$ 16,367,764	\$ 21,710,234	\$ 4,446,646	\$ 26,156,880
Clinical trial revenue	1,281,492	-	1,281,492	2,152,800	-	2,152,800
Registry sponsorship	9,850,000	-	9,850,000	12,300,000	-	12,300,000
In-Kind contributions	794,383	-	794,383	855,829	-	855,829
Royalties and other income, net	192	-	192	198,561	-	198,561
Net assets released from restriction	5,783,565	(5,783,565)	-	8,878,101	(8,878,101)	-
	<u>33,363,622</u>	<u>(5,069,791)</u>	<u>28,293,831</u>	<u>46,095,525</u>	<u>(4,431,455)</u>	<u>41,664,070</u>
Special Events						
Special event support	4,758,624	-	4,758,624	3,565,234	-	3,565,234
Net of direct donor benefit expenses	(1,463,649)	-	(1,463,649)	(1,566,846)	-	(1,566,846)
	<u>3,294,975</u>	<u>-</u>	<u>3,294,975</u>	<u>1,998,388</u>	<u>-</u>	<u>1,998,388</u>
Investment return, net	<u>2,857,304</u>	<u>-</u>	<u>2,857,304</u>	<u>132,119</u>	<u>-</u>	<u>132,119</u>
Total Public Support and Revenue	<u>39,515,901</u>	<u>(5,069,791)</u>	<u>34,446,110</u>	<u>48,226,032</u>	<u>(4,431,455)</u>	<u>43,794,577</u>
EXPENSES						
Program Services						
Research	24,238,394	-	24,238,394	19,843,136	-	19,843,136
Myeloma Investment Fund	1,142,047	-	1,142,047	1,077,223	-	1,077,223
Education	5,637,681	-	5,637,681	6,029,176	-	6,029,176
Awareness	4,682,163	-	4,682,163	5,802,134	-	5,802,134
Total Program Services	<u>35,700,285</u>	<u>-</u>	<u>35,700,285</u>	<u>32,751,669</u>	<u>-</u>	<u>32,751,669</u>
Supporting Services						
Management and general	1,355,431	-	1,355,431	1,178,473	-	1,178,473
Fundraising	4,165,847	-	4,165,847	3,409,321	-	3,409,321
Total Supporting Services	<u>5,521,278</u>	<u>-</u>	<u>5,521,278</u>	<u>4,587,794</u>	<u>-</u>	<u>4,587,794</u>
Total Expenses	<u>41,221,563</u>	<u>-</u>	<u>41,221,563</u>	<u>37,339,463</u>	<u>-</u>	<u>37,339,463</u>
Loss on disposal of assets	(629,037)	-	(629,037)	-	-	-
Change in Net Assets	(2,334,699)	(5,069,791)	(7,404,490)	10,886,569	(4,431,455)	6,455,114
NET ASSETS						
Beginning of year	<u>56,121,149</u>	<u>7,568,765</u>	<u>63,689,914</u>	<u>45,234,580</u>	<u>12,000,220</u>	<u>57,234,800</u>
End of year	<u>\$ 53,786,450</u>	<u>\$ 2,498,974</u>	<u>\$ 56,285,424</u>	<u>\$ 56,121,149</u>	<u>\$ 7,568,765</u>	<u>\$ 63,689,914</u>

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Year Ended December 31, 2023

EXPENSES	Program Services								
	Research	Myeloma Investment Fund	Education	Awareness	Total Program Services	Management and General	Fundraising	Direct Donor Benefit	Total
	Clinical trials and research expense	\$ 8,090,228	\$ -	\$ 50,000	\$ -	\$ 8,140,228	\$ -	\$ -	\$ -
Research and site investment grants	8,007,313	3,260	7,462	17,330	8,035,365	5,300	10,722	-	8,051,387
Salaries and related expenses	3,933,714	832,577	1,699,837	1,695,150	8,161,278	1,207,564	2,466,320	-	11,835,162
Summits and other event production	89,876	410	2,381,383	921	2,472,590	666	122,219	625,510	3,220,985
Occupancy, office, supplies, and other	1,747,196	58,307	138,120	192,547	2,136,170	80,600	675,796	25,386	2,917,952
Professional fees and outside services	1,329,653	38,213	86,301	1,192,493	2,646,660	35,576	320,156	177,299	3,179,691
Advertising, marketing, and public relations	346,072	178,832	587,462	1,541,874	2,654,240	1,300	256,379	222,795	3,134,714
Registration fees	21,935	58	3,747	380	26,120	93	245	412,659	439,117
Tissue banking	460,532	-	-	-	460,532	-	-	-	460,532
Travel	153,300	15,656	59,591	21,075	249,622	9,583	284,182	-	543,387
Depreciation and amortization	58,575	14,734	623,778	20,393	717,480	14,749	29,828	-	762,057
	24,238,394	1,142,047	5,637,681	4,682,163	35,700,285	1,355,431	4,165,847	1,463,649	42,685,212
Direct donor benefits	-	-	-	-	-	-	-	(1,463,649)	(1,463,649)
Total Expenses	\$ 24,238,394	\$ 1,142,047	\$ 5,637,681	\$ 4,682,163	\$ 35,700,285	\$ 1,355,431	\$ 4,165,847	\$ -	\$ 41,221,563

Year Ended December 31, 2022

EXPENSES	Program Services								
	Research	Myeloma Investment Fund	Education	Awareness	Total Program Services	Management and General	Fundraising	Direct Donor Benefit	Total
	Clinical trials and research expense	\$ 8,445,702	\$ -	\$ -	\$ -	\$ 8,445,702	\$ -	\$ -	\$ -
Research and site investment grants	4,589,741	-	-	-	4,589,741	-	-	-	4,589,741
Salaries and related expenses	3,515,493	837,611	1,481,604	1,783,385	7,618,093	1,012,582	2,148,560	-	10,779,235
Summits and other event production	125,899	326	2,881,010	4,767	3,012,002	393	144,329	631,521	3,788,245
Occupancy, office, supplies, and other	1,133,872	89,098	217,310	636,557	2,076,837	93,018	611,729	14,679	2,796,263
Professional fees and outside services	1,561,382	118,142	121,174	2,579,909	4,380,607	42,438	216,256	423,410	5,062,711
Advertising, marketing, and public relations	66,315	855	416,275	717,670	1,201,115	1,035	39,119	194,932	1,436,201
Registration fees	45,535	178	6,083	4,027	55,823	216	446	302,304	358,789
Tissue banking	185,788	-	-	-	185,788	-	-	-	185,788
Travel	129,889	18,773	84,482	52,621	285,765	4,580	221,453	-	511,798
Depreciation and amortization	43,520	12,240	821,238	23,198	900,196	24,211	27,429	-	951,836
	19,843,136	1,077,223	6,029,176	5,802,134	32,751,669	1,178,473	3,409,321	1,566,846	38,906,309
Direct donor benefits	-	-	-	-	-	-	-	(1,566,846)	(1,566,846)
Total Expenses	\$ 19,843,136	\$ 1,077,223	\$ 6,029,176	\$ 5,802,134	\$ 32,751,669	\$ 1,178,473	\$ 3,409,321	\$ -	\$ 37,339,463

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,404,490)	\$ 6,455,114
Adjustments to reconcile change in net assets to net cash from operating activities		
Loss on disposal of property and equipment	629,036	-
(Gain) Loss on investments	(1,409,485)	503,805
Depreciation and amortization	762,056	951,836
Amortization of operating lease right-of-use asset	209,430	205,500
Accrued interest on programmatic investments	(204,758)	(18,592)
Changes in operating assets and liabilities		
Contributions and grants receivable, net	2,034,114	60,053
Accounts receivable and contract assets	4,198,861	(939,260)
Other receivables	336,352	-
Prepaid expenses	180,691	(670,550)
Accounts payable and research awards payable	3,569,056	(1,831,081)
Accrued expenses and research grants payable	1,611,994	1,529,678
Deferred revenue	(6,322,522)	(3,026,016)
Operating lease liability	(324,067)	(314,623)
Net Cash from Operating Activities	(2,133,732)	2,905,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,064,664)	(2,099,161)
Purchases of programmatic investments	(4,441,613)	(6,052,878)
Proceeds from sale of investments	103,230,530	92,015,898
Purchase of investments	(108,884,985)	(97,222,533)
Net Cash from Investing Activities	(11,160,732)	(13,358,674)
Net Change in Cash and Cash Equivalents	(13,294,464)	(10,452,810)
CASH AND CASH EQUIVALENTS		
Beginning of year	18,153,058	28,605,868
End of year	\$ 4,858,594	\$ 18,153,058

See notes to consolidated financial statements

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

1. Organization

The Multiple Myeloma Research Foundation, Inc. and its wholly owned subsidiaries, The Multiple Myeloma Research Consortium, LLC (“MMRC”) and Myeloma Investment Fund, LLC (“MIF”), collectively referred to as “the MMRF,” is the largest nonprofit in the world solely focused on accelerating a cure for each and every multiple myeloma patient. The MMRF drives the development and delivery of next-generation therapies, leverages data to identify optimal and more personalized treatment approaches and empowers myeloma patients and the broader community with information and resources to extend their lives. Central to the MMRF’s mission is its commitment to advancing health equity so that all myeloma patients can benefit from the scientific and clinical advances they pursue. Since its incorporation on January 13, 1998, the MMRF has committed over \$600 million for research, opened nearly 100 clinical trials, and helped bring 15+ FDA approved therapies to market, which have tripled the life expectancy of myeloma patients.

The MIF is the first and only mission-driven venture philanthropy fund solely focused on multiple myeloma. The MIF invests in promising companies, clinical assets, and technologies in oncology to drive the development of new therapies for multiple myeloma. The MIF collaborates closely with portfolio companies to help them advance multiple myeloma research. This evergreen fund is supported entirely by philanthropy; all profits are reinvested back into research for more effective treatments until there is a cure for every patient.

In 2023, the MMRF continued to build out the MMRF Immune Atlas initiative (the “Atlas”), an immune profiling and analytics platform using data and samples from the CoMMpass Study to generate data on the role of patient immunity in myeloma disease biology and response to therapy, and to support and speed efforts to make immunotherapy more precise for myeloma patients. The Atlas will describe the immune landscape in myeloma and how it changes throughout the course of the disease and treatment. This effort is a critical first step to establish guidelines and alignment on how immune data is produced, prioritized, aggregated, and shared. At scale, it has the potential to identify new immunologic factors predictive of patient response or relapse to therapy, to identify new immune targets for drug development and, eventually, enable clinicians to customize treatments and therapies based on an individual’s immune system.

In 2023, the MMRF awarded three \$7 million MMRF Myeloma Accelerator Challenge (“MAC”) Program Grants totaling \$21 million. These multi-year projects are focused on patients with high-risk newly diagnosed multiple myeloma and high-risk smoldering myeloma. The first is optimizing first-line therapy for high-risk newly diagnosed multiple myeloma because high-risk patients often relapse early and show inferior survival compared to standard-risk patients. The next is improving identification of high-risk smoldering multiple myeloma; smoldering multiple myeloma is an early, asymptomatic stage that can progress to active multiple myeloma. For each research topic, the pooling of resources and samples across a network of institutions dramatically improves the ability to drive meaningful results. Each of these three-year multicenter translational projects aim to foster collaboration and advance compelling hypotheses that are ready for rapid testing in clinical trials, a critical step in the MMRF’s urgent pursuit of a cure for each and every myeloma patient.

The MMRC is a network of 14 leading cancer centers and addresses three critical areas of unmet need: high-risk smoldering myeloma, high-risk upfront treatment for symptomatic multiple myeloma, and relapsed/refractory treatment after anti-CD38 and BCMA-directed therapies.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

1. Organization *(continued)*

In 2023, the MMRF developed the HORIZON Adaptive Trials Program. Slated to open in 2024, Horizon will test treatment strategies through two trials in patients with relapsed/refractory disease and those who are newly diagnosed and have high-risk disease. The adaptive nature of the trials allows investigators to test multiple therapies simultaneously and reduce the amount of time needed to evaluate new therapies. Investigators can then rapidly expand patient cohorts receiving treatment regimens with positive outcomes and efficiently close experimental protocols with less-than-optimal outcomes. Groundbreaking clinical trials like HORIZON are only possible through larger-scale, multi-institutional cooperation. These trials allow the MMRC to explore combination therapies regardless of manufacturer, putting the most promising science and the urgent need of patients ahead of pharmaceutical profits or industry competition.

The MMRF and its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MMRC and MIF are disregarded entities for tax purposes.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the MMRF. All material inter-organizational balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Policy

Effective January 1, 2023, the Company adopted Financial Accounting Standards Board (the “FASB”) Topic 326 *Allowance for Credit Losses*. In June 2016, the FASB issued guidance, Accounting Standards Codification (“ASC”) 326, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing the entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new/enhanced disclosures only.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Cash and Cash Equivalents

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

Investments

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

The MMRF is invested in a diversified portfolio of investment grade corporate bonds and commercial paper ranging in maturities of 3 months to 3 years. The goal of the investments is to preserve capital, ensure liquidity and achieve a modest return.

Contributions and Grants Receivable

Contributions and grants receivable that are expected to be collected within one year are recorded at net realizable value. Contributions and grants receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution and grant revenue in the consolidated statements of activities. The allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The balance of allowance for uncollectable promises to give was \$754,626 and \$789,704 as of December 31, 2023 and 2022. Promises to give are written off when deemed uncollectable.

The MMRF has multiple revenue streams that are accounted for as exchange transactions including registry sponsorship, clinical trial revenue, and special events.

Contracts with Customers

Registry Sponsorship

Registry sponsorship involves several pharmaceutical companies financially supporting data generating research initiatives in the CoMMpass and CureCloud programs. The membership grants the pharmaceutical companies access to aggregated and de-identified data collected from multiple myeloma patients by the MMRF twice during a year. The MMRF recognizes revenue proportionally during the two access periods available to the pharmaceutical companies. Fees are collected before all obligations are satisfied. As of December 31, 2023 and 2022, there was \$0 and \$4,450,000 recorded in deferred revenue for future data releases.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Contracts with Customers (continued)

Clinical Trial Sponsorship

The MMRF contracts with several pharmaceutical companies to coordinate various clinical trials of drug treatments for multiple myeloma. The MMRF and its wholly-owned subsidiary MMRC, have entered into contracts with study sites to perform clinical research. The pharmaceutical companies contract with the MMRF to organize the drug trial among its various network of study sites. MMRF is responsible for entering into contracts to perform the drug trials in accordance with the specifications as determined by the pharmaceutical companies, ensuring the study sites perform the drug trials, collecting data produced by clinical trials, providing certain administrative support to the study sites, compelling the study sites to produce a final report, and paying study sites. The clinical trials typically span over multiple years. The length of time a clinical trial runs is dependent upon identifying subjects who meet the specific criteria to be eligible to participate in the trial. Therefore, the number of enrolled subjects is the input used to measure the delivery of services to the customer.

Receivables from clinical trial and registry sponsorship are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

Prior to January 1, 2023, accounts receivable were recorded in the amount invoiced less an allowance for clinical trial sponsorship receivables. Receivable balances were assessed at every reporting date for impairment and allowance was recorded if the receivable was considered impaired. Subsequent to January 1, 2023, accounts receivables are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The Company maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Company recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Company's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Company records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Company assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Company may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables. At December 31, 2023 and 2022, the Company considered all remaining accounts receivables to be fully collectible. Accordingly, there is no allowance for credit losses at December 31, 2023, or allowance for clinical trial sponsorship receivables at December 31, 2022.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Contracts with Customers (continued)

Special Events

The MMRF conducts numerous special events to raise money. These events include the MMRF branded Team for Cures Walk/Run, the MMRF Endurance Events, and Create Your Own Fundraiser Program. Fees for these events include both an exchange transaction component and contribution. To the extent fees are collected prior to the event and are refundable to participants, they are reported as deferred revenue. The fees are recognized as revenue at a point in time, typically, when the event occurs.

Deferred revenue (contract liabilities) consists of amounts related to clinical trials, registry sponsorship, special events, and patient education.

The following is an analysis of contract assets, contract liabilities, and accounts receivable as of December 31:

	2023	2022	2021
Accounts receivable	\$ 2,146,945	\$ 4,124,317	\$ 4,614,279
Contract assets	466,874	2,688,363	1,259,141
Total accounts receivable and contract assets	\$ 2,613,819	\$ 6,812,680	\$ 5,873,420
Deferred revenue (contract liabilities)			
Clinical trials	\$ 1,470,005	\$ 3,319,678	\$ 933,936
Registry sponsorship	-	4,450,000	9,300,000
Special events	200,000	225,000	325,000
Patient education	1,138,550	1,136,399	1,598,157
Total deferred revenue (contract liabilities)	\$ 2,808,555	\$ 9,131,077	\$ 12,157,093

Revenue Recognition Practical Expedients

Customer payment terms are typically less than one year and as such, the MMRF has applied the practical expedient to exclude consideration of significant financing components from the determination of the transaction price. If taxes are collected from customers and remitted to governmental authorities, they are excluded from net sales. Costs to obtain a contract are generally immaterial, but the MMRF has elected the practical expedient to expense these costs as incurred if the amortization period of the capitalized cost would be one year or less. As permitted by the guidance, the MMRF has applied a portfolio approach to evaluating the customer's ability to pay, rather than evaluating each customer's ability to pay separately.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Fair Value of Measurements

The MMRF 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.

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 3 to 8 years. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease inclusive of expected renewals.

Programmatic Investments

The MMRF has elected to measure all nonmarketable equity securities in programmatic investments using the measurement alternative in Accounting Standards Update (“ASU”) 2016-01 (i.e., cost plus or minus changes resulting from observable prices in orderly transactions for the identical or a similar investment of the same issuer), as amended by ASU 2018-03, on a prospective basis. The carrying value of the equity security is adjusted on the date of an observed transaction. Fair value may differ from the observed transaction price due to a number of factors, including marketability adjustments and differences in rights and obligations when the observed transaction is not for the identical investment held. Debt securities in programmatic investments are carried at cost plus accrued and unpaid interest.

Nonmarketable equity securities under the measurement alternative are also assessed for impairment. Impairment indicators that are considered include, but are not limited to, (a) a significant deterioration in the earnings performance, credit rating, asset quality or business prospects of the investee, (b) a significant adverse change in the regulatory, economic or technological environment of the investee, (c) a significant adverse change in the general market condition of either the geographical area or the industry in which the investee operates (d) a bona fide offer to purchase, an offer by the investee to sell or a completed auction process for the same or similar investment for an amount less than the carrying amount of that investment, and (e) factors that raise significant concerns about the investee’s ability to continue as a going concern, such as negative cash flows from operations, working capital deficiencies or noncompliance with statutory capital requirements or debt covenants. When the qualitative assessment indicates that impairment exists, the investment is written down, with impairment recognized in earnings.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Leases

The Company leases its office space under a non-cancelable operating lease. For the years ended December 31, 2023 and 2022, the operating lease is presented as operating lease right-of-use (“ROU”) asset and operating lease liability on the MMRF’s consolidated statements of financial position. The operating lease ROU asset represents the MMRF’s right to control the use of an underlying asset for the lease term and the lease liability represents the MMRF’s obligation to make lease payments arising from the lease. The operating lease ROU asset and liability are recognized at the lease commencement date based on the present value of future lease payments. If available, the MMRF uses the rate implicit in the lease to discount lease payments to present value; however, the MMRF’s current lease does not provide a readily determinable implicit rate. Therefore, the MMRF has elected the discount lease payments based on an estimate of its incremental borrowing rate. The lease agreement contains a tenant improvement allowance from the MMRF’s landlord. This allowance is accounted for as lease incentive and decreases the MMRF’s operating lease ROU asset. The lease agreement also includes variable payments (common area maintenance, insurance, taxes and utilities), however, because they are not based on an index or rate, they are not included in the operating lease ROU asset.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Contributions restricted by donors are reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributions and Grants

The MMRF recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contribution or grant revenue conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses are recognized when those requirements are met.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Contributions and Grants (continued)

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the MMRF was eligible for a refundable employee retention credit subject to certain criteria. The MMRF recognized approximately \$1.5 million employee retention credit during 2021. The MMRF completed an audit by the IRS in December 2023. To date, the MMRF has only received one payment of approximately \$336,000 and the remaining amount is expected in 2024.

Contributed Services

For the years ended December 31, 2023 and 2022, donated services totaled approximately \$794,000 and \$856,000, respectively. Approximately \$1,454 and \$100,800 was recognized as special event support for 2023 and 2022. 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. Contributed goods and services have been valued at the estimated cost to purchase such goods and services as provided by the related professionals or vendors. In addition, a number of volunteers have contributed their time to the MMRF, none of which meet the requirements for consolidated financial statement recognition.

Royalties

In exchange for various grant research awards, an unaffiliated company gave the MMRF a royalty interest in any future sales or licensing of various products or patents developed from the related research. The royalty income is recognized as the payments are determined and they are received or receivable. During the years ended December 31, 2023 and 2022, royalties received were \$192 and \$192,561 which are included in other income.

The MMRF previously provided a \$1,000,000 award to a biotech company. As part of the award, the MMRF receives royalty payments based on net revenues. Cumulative payments totaled \$4,525,000 as of December 31, 2023. There was no royalty income in 2023 or 2022 related to this royalty agreement.

Advertising

The MMRF uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred.

Joint Costs

For the years ended December 31, 2023 and 2022, the MMRF incurred joint costs of \$303,228 and \$192,371, for joint costs activities that included fundraising appeals, including various contacts and communications with multiple myeloma patients, doctors and caregivers in the form of meetings, informational emails, website, and mailing educational materials. For the years ended December 31, 2023 and 2022, the MMRF allocated \$152,051 and \$97,063 to fundraising expense and \$151,177 and \$95,308 to program expense.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, professional fees, occupancy, information technology, travel, office expenses, depreciation and amortization, newsletter, insurance, temporary help, telephone, and miscellaneous which are allocated on the basis of estimated employee time spent on each functional area.

Accounting for Uncertainty in Income Taxes

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

Reclassifications

Certain prior year amounts in the consolidated statements of cash flows, (gain) loss on investments and proceeds from sale of investments, have been reclassified for consistency with the current year presentation. These reclassifications had no effect on ending net assets or the change in net assets for the year ended December 31, 2022. This change in classification does not affect previously reported net change in cash and cash equivalents in the consolidated statements of cash flows for the year ended December 31, 2022.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is May 1, 2024.

3. Liquidity and Availability

The following reflects MMRF's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2023 and 2022

3. Liquidity and Availability (*continued*)

Total consolidated financial assets available to meet cash needs for general expenditure within one year as of December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,858,594	\$ 18,153,058
Investments	48,157,559	41,091,535
Contributions receivable within one year	2,389,684	3,988,376
Accounts receivable and contract assets	2,613,819	6,812,680
Other receivables	<u>1,125,578</u>	<u>1,461,930</u>
Total financial assets available within one year	59,145,234	71,507,579
Less amounts unavailable for general expenditures within one year due to: Restricted by donors with purpose restrictions	<u>65,000</u>	<u>4,398,065</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 59,080,234</u>	<u>\$ 67,109,514</u>

The principal source of liquidity is cash flow generated from contributions and grants from donors through its fundraising efforts. As part of the MMRF's liquidity strategy, management structures its financial assets, consisting of cash, cash equivalents or investments, and receivables to be available as its general expenditures, liabilities and obligations come due within one year. Excess cash is invested in highly liquid fixed income securities, which could be drawn upon readily in the event of an unanticipated liquidity need. In addition, the MMRF receives cash flows from providing services related to clinical trials of drugs and earned royalties. Much of these amounts are expected to be collected within one year.

4. Concentrations

The MMRF maintains cash or cash equivalent balances at multiple financial institutions. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC insured") up to \$250,000. As of December 31, 2023, cash and cash equivalents held in banks in excess of the federally insured limits was approximately \$3,806,000. As of December 31, 2022, cash held in banks in excess of the federally insured limits was approximately \$16,369,000.

The MMRF maintains investment balances at multiple financial institutions. Investment accounts are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of December 31, 2023, investments held in excess of the SIPC limits was approximately \$46,694,000. As of December 31, 2022, investments held in excess of the SIPC limits was approximately \$40,592,000.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

4. Concentrations *(continued)*

The cash, cash equivalent and investment concentrations are as follows as of December 31:

	2023	2022
Cash on hand	\$ 4,858,594	\$18,153,058
Cash in excess of FDIC limit	3,805,517	16,369,093
Investments	48,157,559	41,091,535
Investments in excess of SIPC limit	46,694,348	40,591,535

The MMRF believes it is not exposed to any significant credit risk on its cash and investment balances.

As of December 31, 2023, approximately \$1,300,000 or 41% of contributions receivable was receivable from one donor, and as of December 31, 2022, approximately \$3,000,000 or 57% of contributions receivable was receivable from three donors.

As of December 31, 2023 and 2022, three customers represent 100% and 77% of accounts receivable and contract assets.

For the year ended December 31, 2023, four donors represented 56% of contributions and grants. For the year ended December 31, 2022, one donor represented 11% of contributions and grants.

5. Investments

The following are major categories of cash alternatives and investments measured at fair value on a recurring basis as of December 31, 2023, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Cash alternatives			
Money market funds	\$ 2,960,438	\$ -	\$ 2,960,438
Fixed income			
Short-term commercial paper	-	963,211	963,211
Government securities	-	5,314,143	5,314,143
Corporate bonds and notes	-	41,880,205	41,880,205
	\$ 2,960,438	\$ 48,157,559	\$ 51,117,997

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

5. Investments (continued)

The following are major categories of cash alternatives and investments measured at fair value on a recurring basis as of December 31, 2022, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Cash alternatives			
Money market funds	\$ 2,713,999	\$ -	\$ 2,713,999
Fixed income			
Short-term commercial paper	-	4,389,755	4,389,755
Government securities	-	4,718,363	4,718,363
Corporate bonds and notes	-	31,983,417	31,983,417
	<u>\$ 2,713,999</u>	<u>\$ 41,091,535</u>	<u>\$ 43,805,534</u>

6. Contributions and Grants Receivable

Contributions and grants receivable as of December 31 are due as follows:

	2023	2022
Receivables currently due	\$ 965,000	\$ 2,582,500
Receivable in less than one year	1,424,684	1,405,876
Receivable in one to five years	<u>1,625,000</u>	<u>2,095,500</u>
Total contributions receivable	4,014,684	6,083,876
Discount to net present value	(64,800)	(64,800)
Allowance for doubtful accounts	<u>(754,626)</u>	<u>(789,704)</u>
	<u>\$ 3,195,258</u>	<u>\$ 5,229,372</u>

Pledges receivable with due dates extending beyond one year have discounted rates as of December 31, 2023 and 2022 of 4%.

The aforementioned pledges have been included in the following net asset categories as of December 31:

	2023	2022
Without donor restrictions	\$ 5,410	\$ 425,172
With donor restrictions	<u>3,189,848</u>	<u>4,804,200</u>
	<u>\$ 3,195,258</u>	<u>\$ 5,229,372</u>

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

7. Programmatic Investments

The MIF invests in entities that are pursuing research into a cure and/or treatment for multiple myeloma. The goal of these investments is for the research of new cures or treatments. Returns from the investments will be reinvested into other entities or utilized by the MMRF for program expenses. Since its inception, the MIF has invested in 11 innovative companies and provided valuable strategic guidance to accelerate their clinical programs.

The MIF continues to accelerate research and attract promising new companies to the field of multiple myeloma. During the year ended December 31, 2023, the MIF made two equity investments totaling approximately \$1,500,000. During the year ended December 31, 2022, the MIF made two equity investments totaling \$3,000,000, one in a note totaling \$1,000,000, and three follow-on investments totaling \$1,225,000.

As of December 31, 2023, the MIF Portfolio consisted of the following investments:

Investment	Area of Focus
Cullinan Mica Corp.	MICA/B antibody for preventing cleavage of surface antigen
Abcuro, Inc.	Antibody targeting a novel immune target
Indapta Therapeutics, Inc.	Adaptive NK cells + antibody therapy
Fortis Therapeutic, Inc.	Antibody-drug conjugate targeting CD46
Cytolimmune Therapeutics, Inc.	CAR-NK cell therapy
Triumvira Immunologics Inc.	Engineered T cell therapy
Telo Therapeutics Inc	Small molecule therapy
Luminary Therapeutics, Inc.	Cell therapy
KAHR Medical Ltd.	Antibody + protein therapy
Nectin Therapeutics	Next-gen immunotherapy agents
Reverb Therapeutics	Antibody-based Amplifier platform

As of December 31, 2022, the MIF Portfolio consisted of the following investments:

Investment	Area of Focus
Cullinan Mica Corp.	MICA/B antibody for preventing cleavage of surface antigen
Abcuro, Inc.	Antibody targeting a novel immune target
Indapta Therapeutics, Inc.	Adaptive NK cells + antibody therapy
Fortis Therapeutic, Inc.	Antibody-drug conjugate targeting CD46
Cytolimmune Therapeutics, Inc.	CAR-NK cell therapy
Triumvira Immunologics Inc.	Engineered T cell therapy
Telo Therapeutics Inc	Small molecule therapy
Luminary Therapeutics, Inc.	Cell therapy
KAHR Medical Ltd.	Antibody + protein therapy

There were no sales of programmatic investments during the year ended December 31, 2023 and 2022.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

7. Programmatic Investments *(continued)*

As of December 31, programmatic investments were comprised of the following:

	<u>2023</u>	<u>2022</u>
Convertible promissory notes	\$ 3,148,027	\$ 2,648,075
Stock securities	12,215,958	8,071,623
Simple Agreement for Future Equity (SAFE)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 16,363,985</u>	<u>\$ 11,719,698</u>

8. Property and Equipment

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

	Estimated useful lives	<u>2023</u>	<u>2022</u>
Equipment	5 years	\$ 392,171	\$ 371,263
Leasehold improvements	7 - 8 years	635,825	635,825
Furniture and fixtures	7 years	61,691	61,691
Software and website development	3 years	<u>3,912,605</u>	<u>5,663,668</u>
		5,002,292	6,732,447
Accumulated depreciation and amortization		<u>(2,364,594)</u>	<u>(3,768,321)</u>
		<u>\$ 2,637,698</u>	<u>\$ 2,964,126</u>

9. Research Awards

The MMRF granted research awards and grants were recognized at the recommendation of its medical/scientific advisory board. Included in research expense on the consolidated statements of activities for the year ended December 31, the MMRF made the following awards:

	<u>2023</u>	<u>2022</u>
Immunotherapy programs	\$ 3,876,319	\$ 413,769
MAC grant	2,250,000	-
Fellow and other awards	818,440	14,028
Research and clinical grants	650,000	1,263,667
Clinical immune	140,000	233,333
Prevention program	-	2,164,944
Genomic data analytics	-	<u>500,000</u>
	<u>\$ 7,734,759</u>	<u>\$ 4,589,741</u>

Grants and awards payable within the next 12 months as of December 31, 2023 and 2022 are \$5,944,759 and \$3,208,205.

The MMRF made conditional grant payments totaling \$1,000,000 to one academic institution in 2023 and conditional grant payments totaling \$2,769,526 to three academic institutions in 2022.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

10. Restrictions and Designation of Net Assets

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

	2023	2022
Myeloma Investment Fund	\$ 3,678,056	\$ 5,820,947
CureCloud	247,933	1,635,000
Time restricted	1,385,500	1,392,154
Immunotherapy	-	30,000
Prevention program	437,076	-
Special events	35,000	-
	\$ 5,783,565	\$ 8,878,101

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

	2023	2022
Myeloma Investment Fund	\$ -	\$ 3,678,056
Prevention program	-	437,076
Time restricted	2,498,774	3,235,500
Health system pilot	-	247,933
Special events	65,000	35,000
	2,563,774	7,633,565
Present value discount	(64,800)	(64,800)
	\$ 2,498,974	\$ 7,568,765

11. Related Party Transactions

Board of Directors

For the years ended December 31, 2023 and 2022, the MMRF received contributions from the members of the board of directors or entities related to the members of the board of directors totaling approximately \$111,000 or 1% and \$330,150 or 1% of total contributions, respectively. As of December 31, 2023 and 2022, approximately \$250,000 or 8% and \$450,000 or 9% of contributions receivable are due from board members or entities related to board members.

12. CoMMpass (unaudited)

The MMRF-sponsored CoMMpass study commenced in 2011, and approximately 1,150 newly diagnosed, untreated patients with active multiple myeloma from 76 sites (i.e., hospitals, academic medical centers, and other community health centers) in four countries had been enrolled by 2015, at which time the study was closed to new patient recruitment. Patients are followed for eight years through 2023. No experimental treatments are tested in the study, rather, patients are prescribed standard of care agents by their physician, and blood and bone marrow samples are taken from the patients when there is a change in their disease status. The tissue samples collected are placed in a bio-bank. An unrelated, third party, not-for-profit biomedical research institute then performs laboratory tests on a portion of each of the samples resulting in genomic data about each patient. The CoMMpass study concluded in 2023.

The Multiple Myeloma Research Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

13. MMRF CureCloud® (unaudited)

In 2023, the MMRF concluded enrollment in the MMRF CureCloud® (“CureCloud”) Research Initiative, making it one of the largest longitudinal data sets in multiple myeloma, with over 1,000 patients enrolled. The data from this study, which includes clinical genomic, immune, and patient-reported outcomes, is being analyzed in ongoing research and will be made available to researchers to help answer important myeloma research questions and inform future MMRF data-generating initiatives, all in support of the MMRF’s mission.

14. Lease Commitments

The MMRF leases office space under an operating lease that expires on February 28, 2026. Other information related to the MMRF’s operating lease for the year ended December 31, 2023 is as follows:

	<u>2023</u>	<u>2022</u>
Lease expense	\$ 220,310	\$ 220,310
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	335,088	329,433
Weighted-average remaining lease term in years for operating leases	3.17	3.17
Weighted-average discount rate for operating leases	1.23%	1.23%

Maturities of lease liabilities under the operating lease as of December 31, 2023 were as follows:

2024	\$ 340,744
2025	346,399
2026	<u>58,440</u>
Total undiscounted cash flows	745,583
Less present value discount	<u>(9,527)</u>
Total lease liabilities	<u>\$ 736,056</u>

15. 403(b) Plan

The MMRF sponsors a 403(b) plan (the “Plan”) covering all employees. The Plan requires the MMRF to contribute 4% of all participants’ allowable compensation as defined by the Plan. Total expense for the years ended December 31, 2023 and 2022, was approximately \$302,000 and \$284,000, respectively.

16. Uncertainties and Contingencies

From time to time, the Organization is a party to litigation, claims, and assessments, which arise in the normal course of business. Management cannot predict or determine the outcome of these matters but does not believe that there are any material claims or assessments made for the years ended December 31, 2023 and 2022.
