Multiple Myeloma Canada / Myélome Multiple Canada
Financial Statements
For the year ended December 31, 2021

Multiple Myeloma Canada / Myélome Multiple Canada
Financial Statements
For the year ended December 31, 2021

Contents

Independent Auditor's Report	3 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Changes in Net Assets	7
Statement of Revenue and Expenditures	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 15
Supplementary Financial Information	
Schedule of General and Administrative Expenses	16

BDO

Tel: 514-931-0841
Fax: 514-931-9491

www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
1000 De La Gauchetière Street West
Suite 200
Montréal, Québec H3B 4W5

Independent Auditor's Report

To the board of directors of
Multiple Myeloma Canada / Myélome Multiple Canada

Qualified Opinion

We have audited the financial statements of Multiple Myeloma Canada / Myélome Multiple Canada, which comprise the statement of financial position as at December 31, 2021, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Multiple Myeloma Canada / Myélome Multiple Canada as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with many charitable organizations, the Entity derives revenue from donations and cash receipts the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Entity and we were not able to determine whether any adjustments might be necessary to revenues other than grants and investment income, excess of revenue over expenditures, and cash flows for the years ended December 31, 2021 and December 31, 2020 assets and net assets as at December 31, 2021 and December 31, 2020.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada s.r.l./S.E.N.C.R.L./LLP[1]

Montréal, Québec
June 23, 2022

[1] CPA auditor, public accountancy permit No. A122867

Multiple Myeloma Canada / Myélome Multiple Canada
Statement of Financial Position

December 31	2021	2020
Assets		
Current		
Cash and cash equivalents	$ 913,015	$ 909,859
Contributions receivable	-	5,318
Grants receivable	21,424	33,963
Sales taxes receivable	10,375	34,006
Prepaid expenses	112,933	71,169
Investments (Note 2)	2,783,864	2,212,611
	3,841,611	3,266,926
Capital assets (Note 3)	23,651	21,213
Intangible asset (Note 4)	115,867	149,121
	$ 3,981,129	$ 3,437,260
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 208,141	$ 100,487
Deferred contributions (Note 6)	525,634	113,200
	733,775	213,687
Canada emergency business account (Note 7)	40,000	30,000
	773,775	243,687
Unrestricted net assets	3,207,354	3,193,573
	$ 3,981,129	$ 3,437,260

Commitments (Note 8)

On behalf of the Board:

__ Director __ Director

The accompanying notes are an integral part of these financial statements.

Multiple Myeloma Canada / Myélome Multiple Canada
Statement of Changes in Net Assets

For the year ended December 31	2021	2020
Unrestricted net assets, beginning of the year	**$ 3,193,573**	$ 2,801,120
Excess of revenue over expenditures for the year	**13,781**	392,453
Unrestricted net assets, end of the year	**$ 3,207,354**	$ 3,193,573

The accompanying notes are an integral part of these financial statements.

Multiple Myeloma Canada / Myélome Multiple Canada
Statement of Revenue and Expenditures

For the year ended December 31	2021	2020
Revenue		
Industry grants	$ 731,964	$ 965,248
Fundraising events	880,774	680,874
Other contributions	469,784	619,659
Government assistance (Note 1)	69,147	120,198
Investment income	50,692	37,739
Other revenue	10,886	8,478
Unrealized foreign exchange gain	-	79
	2,213,247	2,432,275
Expenditures		
Research	624,684	796,979
Patient and education programs	245,252	388,099
General and administration (Schedule)	264,591	208,288
Access and advocacy	42,052	34,495
Fundraising	196,240	233,443
Awareness and communication	484,981	371,363
Governance	69,605	56,031
Community empowerment	159,523	-
Knowledge transfer	152,331	-
Realized gain on disposal of investments	(1,362)	(15,446)
Unrealized gain on investments at fair value	(38,431)	(33,430)
	2,199,466	2,039,822
Excess of revenue over expenditures for the year	$ 13,781	$ 392,453

The accompanying notes are an integral part of these financial statements.

Multiple Myeloma Canada / Myélome Multiple Canada
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash flows from operating activities		
Excess of revenue over expenditures for the year	$ 13,781	$ 392,453
Items not affecting cash		
Realized gain on disposal of investments	(1,362)	(15,446)
Unrealized gain on investments at fair value	(38,431)	(33,430)
Amortization of capital assets	6,710	8,317
Amortization of intangible asset	57,965	55,893
Subsidy revenue from the Canada emergency business account program	-	(10,000)
	38,663	397,787
Changes in non-cash working capital balances		
Contributions receivable	5,318	19,864
Grants receivable	12,539	(33,963)
Sales taxes receivable	23,631	(15,702)
Prepaid expenses	(41,764)	(53,402)
Accounts payable and accrued liabilities	107,654	(15,257)
Deferred contributions	412,434	3,200
	558,475	302,527
Cash flows from investing activities		
Purchase of investments	(3,191,965)	(1,409,913)
Proceeds on disposal of investments	2,660,505	1,283,973
Purchase of capital assets	(9,147)	-
Purchase of intangible asset	(24,712)	(74,635)
	(565,319)	(200,575)
Cash flows from financing activity		
Canada emergency business account	10,000	40,000
Net increase in cash and cash equivalents during the year	3,156	141,952
Cash and cash equivalents, beginning of the year	909,859	767,907
Cash and cash equivalents, end of the year	$ 913,015	$ 909,859

The accompanying notes are an integral part of these financial statements.

December 31, 2021

1. Significant Accounting Policies

Purpose of Organization

Multiple Myeloma Canada / Myélome Multiple Canada is incorporated under the *Canada Not-for-profit Corporations Act* and is a registered charity under paragraph 149 (1) (f) of the *Income Tax Act*. Multiple Myeloma Canada / Myélome Multiple Canada is the only national organization exclusively devoted to the Canadian myeloma community. As a patient-driven, patient-focused organization, Multiple Myeloma Canada / Myélome Multiple Canada works with leading myeloma researchers and clinicians as well as other cancer organizations and local support groups across Canada, strengthening the voice of the Canadian myeloma community and improving the quality of life of myeloma patients, their caregivers and families through education, awareness, advocacy and research.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, if any, industry grants, fundraising and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments income is recognized when earned.

Government Assistance

The policy of the Organization recognizes government assistance received or receivable to current expenses for the year in revenue, if the amount to be received can be reasonably estimated and its collection is reasonably assured. During the year, the Organization recorded $59,147 of wage subsidies and $10,000 of subsidy revenue from the Canada emergency business account program (Note 7).

Contributed Services

In the course of its activities, the Organization uses the services of volunteers as well as services and materials provided without monetary compensation. Given that the Organization does not pay for these services or materials and that it is impractical to estimate their fair value, they are not recognized in the financial statements.

1. Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful lives of the assets is provided at the following annual rates:

	Method	Rate
Computer equipment	Declining balance	3 years
Furniture and fixtures	Declining balance	5 years
Building improvements	Straight-line	10 years

Intangible Asset

Intangible asset is stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is provided at the following annual rate:

	Method	Rate
Software	Declining balance	3 years

Cash and Cash Equivalents

The policy of the Organization is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and temporary investments with a maturity of three months or less from the date of acquisition.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Financial Instruments

The Organization's financial instruments consist of cash and cash equivalents, contributions receivable, investments and accounts payable.

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost with the exception of investments quoted in an active market which are subsequently measured at fair value based on closing market prices.

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets measured at amortized cost include cash and cash equivalents, contributions receivable and grants receivable.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

Allocation of Expenses

The Organization engages in various programs related to their purpose as set out above. The cost of each program includes the costs of personnel that are directly related to providing these programs. The allocation is based on the time devoted to each program.

2. Investments

The carrying amounts of investments are comprised of the following:

	2021	2020
Marketable securities at cost	$ 2,682,005	$ 2,149,183
Changes in fair value	101,859	63,428
Fair value	$ 2,783,864	$ 2,212,611

3. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	$ 37,690	$ 22,261	$ 30,235	$ 17,423
Furniture and fixtures	15,668	9,106	13,975	7,536
Building improvements	3,018	1,358	3,018	1,056
	56,376	32,725	47,228	26,015
Net book value		$ 23,651		$ 21,213

4. Intangible Asset

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Software	$ 302,870	$ 187,003	$ 278,158	$ 129,037
Net book value		$ 115,867		$ 149,121

5. Accounts Payable and Accrued Liabilities

	2021	2020
Accounts payable and accrued liabilities	$ 143,730	$ 40,712
Salaries and vacation payable	58,671	54,322
Government remittances	5,740	5,453
	$ 208,141	$ 100,487

6. Deferred Contributions

The following summarizes the changes in deferred contributions related to projects carried out in the current year:

	2021	2020
Balance, beginning of year	$ 113,200	$ -
Deferred contributions received during the year	525,634	113,200
Less: amount recognized in revenue in the year	(113,200)	-
Balance, end of year	$ 525,634	$ 113,200

7. Canada Emergency Business Account

Due to the ongoing COVID-19 pandemic, the Government of Canada has granted the Organization a loan of $60,000 of which $20,000 has been exempt. The loan is non-interest bearing, has no repayment terms and matures on December 31, 2023.

8. Commitments

The Organization has entered into a real estate lease agreement for its premises and office equipment until March 2027 with future minimum lease payments for the next five years and thereafter are as follows:

2022	$ 16,898
2023	19,094
2024	19,917
2025	21,146
2026	21,463
Thereafter	26,829
	$ 125,347

9. Risks Arising from Financial Instruments

The Organization is exposed to various risks by virtue of holding financial instruments. There have been no changes to the Organization's exposure to those risks nor in how those risks are managed since the previous year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization is exposed to currency risk in foreign currency rates resulting from U.S. dollar cash and cash equivalents and investments. At December 31, 2021, cash denominated in U.S. dollars expressed in Canadian dollars was $50,684 (2020 - $51,322).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk with respect to cash and cash equivalents and investments from the potential default by counterparties that carry the Organization's cash and cash equivalents and investments. The Organization mitigates the credit risk by dealing with only large financial institutions with good credit ratings. The Organization is also exposed to credit risk arising from its contributions receivable. The Organization works to ensure that the receivables meet all eligibility criteria in order to qualify to receive the funding.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is subject to liquidity risk on its accounts payable which arise from its daily operations. The Organization manages this risk by monitoring working capital and cash flows needs. After the end of the year, in February 2022, Mutliple Myeloma adopted a resolution to restrict $750,000 in order to limit this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk from its investment portfolio. The Organization moderates this risk through the selection and diversification of securities held within the portfolio.

Multiple Myeloma Canada / Myélome Multiple Canada
Schedule of General and Administrative Expenses

For the year ended December 31	2021	2020
Salaries	$ 63,014	$ 61,777
Rent	44,118	48,128
Accounting and legal	18,357	21,521
Insurance	12,764	20,162
Repairs and maintenance	19,359	8,042
Traveling	28,270	16,644
Stationery, postage and telephone	19,412	11,066
Amortization of capital and intangible assets	13,689	8,816
License and memberships	27,841	8,118
Bank and credit card fees	17,623	4,014
Professional services	144	-
	$ 264,591	$ 208,288