

**Multiple Myeloma Canada /  
Myélome Multiple Canada**  
**Financial Statements**  
For the year ended December 31, 2016

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Myélome Multiple Canada  
Financial Statements  
For the year ended December 31, 2016**

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## Independent Auditor's Report

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**To the Board of Directors of  
Multiple Myeloma Canada / Myélome Multiple Canada**

We have audited the accompanying financial statements of Multiple Myeloma Canada / Myélome Multiple Canada, which comprise the statement of financial position as at December 31, 2016, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



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## Independent Auditor's Report

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### Basis for 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 organization 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, 2016 and December 31, 2015, assets and net assets as at December 31, 2016 and December 31, 2015. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Multiple Myeloma Canada / Myélome Multiple Canada as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada S.C.I./S.E.N.C.R.L./LLP*

Montréal, Québec  
June 28, 2017

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A122867

**Multiple Myeloma Canada / Myélome Multiple Canada  
Statement of Financial Position**

**December 31** **2016** **2015**

**Assets**

**Current**

Cash and cash equivalents	\$	<b>2,066,075</b>	\$	1,579,645
Contributions receivable		<b>106,581</b>		110,703
Sales taxes receivable		<b>90,366</b>		52,911
Investments (Note 2)		<b>508,052</b>		502,266
		<b>2,771,074</b>		<b>2,245,525</b>

**Liabilities and Net Assets**

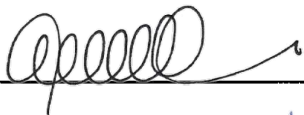
**Current**


Accounts payable and accrued liabilities (Note 3)	\$	<b>444,178</b>	\$	67,415
Deferred contributions (Note 4)		<b>-</b>		78,993
		<b>444,178</b>		146,408

**Unrestricted net assets**

	<b>2,326,896</b>	<b>2,099,117</b>
	<b>2,771,074</b>	<b>2,245,525</b>

On behalf of the Board

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

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

For the year ended December 31	2016	2015
<b>Revenue</b>		
Industry grants	\$ 993,391	\$ 1,163,216
Fundraising events	560,346	462,111
Other contributions	199,301	184,612
Other revenue	6,885	3,347
Investments income	15,280	17,599
Realized loss on disposal of investments	(16,859)	(26,868)
Unrealized gain on investments at fair value	42,184	31,089
	<b>1,800,528</b>	<b>1,835,106</b>
<b>Expenditures</b>		
Awareness and communication	194,772	191,270
Science and research	522,967	389,075
Patient and education programs	252,437	248,979
Access and advocacy	182,620	152,254
Fundraising	175,246	154,355
General and administration (Note 7 and Schedule)	166,873	109,438
Governance	71,588	48,780
Unrealized foreign exchange loss (gain)	6,246	(57,404)
	<b>1,572,749</b>	<b>1,236,747</b>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 227,779</b>	<b>\$ 598,359</b>

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

<u>For the year ended December 31</u>	<u>2016</u>	<u>2015</u>
Unrestricted net assets, beginning of year	\$ 2,099,117	\$ 1,500,758
Excess of revenue over expenditures for the year	<u>227,779</u>	<u>598,359</u>
Unrestricted net assets, end of year	<u>\$ 2,326,896</u>	<u>\$ 2,099,117</u>

## Multiple Myeloma Canada / Myélome Multiple Canada Statement of Cash Flows

<b>For the year ended December 31</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures for the year	\$ 227,779	\$ 598,359
Items not affecting cash		
Realized loss on disposal of investments	16,859	26,868
Unrealized gain on investments at fair value	(42,184)	(31,089)
Changes in non-cash working capital balances		
Contributions receivable	4,122	(32,025)
Sales taxes receivable	(37,455)	2,650
Accounts payable and accrued liabilities	376,763	(27,182)
Deferred contributions	(78,993)	243
	<u>466,891</u>	<u>537,824</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(82,996)	(62,901)
Proceeds on disposal of investments	102,535	68,452
	<u>19,539</u>	<u>5,551</u>
<b>Increase in cash and cash equivalents during the year</b>	<b>486,430</b>	<b>543,375</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,579,645</b>	<b>1,036,270</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,066,075</b>	<b>\$ 1,579,645</b>

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



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# Multiple Myeloma Canada / Myélome Multiple Canada

## Notes to Financial Statements

December 31, 2016

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### 1. Significant Accounting Policies

<b>Purpose of the Organization</b>	Multiple Myeloma Canada / Myélome Multiple Canada is incorporated under the <i>Canada Corporations Act</i> as a not-for-profit organization and is a registered charity under paragraph 149 (1) (f) of the <i>Income Tax Act</i> . 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.
<b>Basis of Accounting</b>	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").
<b>Revenue Recognition</b>	<p>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.</p> <p>Investments income is recognized when earned.</p>
<b>Contributed Services</b>	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.
<b>Cash and Cash Equivalents</b>	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.

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## Multiple Myeloma Canada / Myélome Multiple Canada Notes to Financial Statements

December 31, 2016

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**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, accounts 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 which are subsequently measured at fair value based on closing market prices.

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

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## Multiple Myeloma Canada / Myélome Multiple Canada Notes to Financial Statements

December 31, 2016

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### *Transaction Costs*

The Organization recognizes its transaction costs for financial instruments at fair value in excess of revenue over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

### **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.

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## **2. Investments**

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Marketable securities	\$ 456,524	\$ 508,052	\$ 492,923	\$ 502,266

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## **3. Accounts Payable and Accrued Liabilities**

	2016		2015	
Accounts payable	\$ 55,882	\$ 9,583		
Accrued liabilities	8,494	31,860		
Vacation payable	8,262	25,972		
Contribution payable to a research organization	371,540	-		
	\$ 444,178	\$ 67,415		

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## Multiple Myeloma Canada / Myélome Multiple Canada Notes to Financial Statements

December 31, 2016

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#### 4. Deferred Contributions

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

	2016	2015
Balance, beginning of year	\$ 78,993	\$ 78,750
Deferred contributions received during the year	-	78,993
Less: amount recognized in revenue in the year	(78,993)	(78,750)
	\$ -	\$ 78,993

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#### 5. Commitments

The Organization has entered into a real estate lease agreement for its premises until March 2027 with future minimum lease payments as follows:

2017	\$	13,416
2018		17,888
2019		17,888
2020		17,888
2021		17,888
Thereafter		93,913
	\$	178,881

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#### 6. 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 investments. At December 31, 2016, cash denominated in U.S. dollars expressed in Canadian dollars totaled \$468,862 (2015 - \$449,097) and investments denominated in U.S. dollars expressed in Canadian dollars totaled \$168,053 (2015 - \$160,655).

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## Multiple Myeloma Canada / Myélome Multiple Canada Notes to Financial Statements

December 31, 2016

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### 6. Financial Instruments (Continued)

#### *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.

The Organization has a concentration of credit risk with respect to contributions receivable from two organizations. As at December 31, 2016, these two customers accounted for 82% of all accounts receivable (2015 - 98%).

#### *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.

#### *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.

There has been no change to the organization's exposure to any of the above mentioned risks since the previous period.

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## Multiple Myeloma Canada / Myélome Multiple Canada Notes to Financial Statements

**December 31, 2016**

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### 7. Allocation of Expenses

Personnel costs of \$392,914 (2015 - \$296,581) were allocated from general and administration to the following areas:

	<u>2016</u>	<u>2015</u>
Patient and education programs	\$ 54,155	\$ 48,567
Fundraising events	86,071	106,975
Science and research	120,325	18,680
Access and advocacy	66,715	33,344
Awareness and communication campaign	49,432	70,335
Governance	16,216	18,680
	<u>\$ 392,914</u>	<u>\$ 296,581</u>

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### 8. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

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

<b>For the year ended December 31</b>	<b>2016</b>	<b>2015</b>
Professional services	\$ 43,937	\$ 7,762
Salaries	40,730	25,595
Rent and insurance	22,142	29,886
Stationery, postage and telephone	17,387	13,203
Bank and credit card fees	6,398	18,088
Licenses and memberships	5,673	1,828
Accounting and legal	22,482	9,782
Repairs and maintenance	4,733	572
Traveling	3,391	2,722
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	\$ 166,873	\$ 109,438

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