



METAVIVOR

Metastatic Breast Cancer Awareness, Research and Support

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

METAVIVOR RESEARCH AND SUPPORT, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	3-4
Financial Statements:	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9-16



Independent Auditor's Report

To the Board of Directors
METAvisor Research and Support, Inc.
Annapolis, Maryland

We have audited the accompanying financial statements of METAvisor Research and Support, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of METAvivor Research and Support, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Alta CPA Group, LLC

March 27, 2018

METAVIVOR RESEARCH AND SUPPORT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 4,020,930	\$ 2,217,422
Grants and Contributions Receivable	173,678	104,198
Inventory	19,372	12,030
Total Current Assets	4,213,980	2,333,650
Fixed Assets:		
Equipment	98,664	6,388
Accumulated Depreciation	22,395	2,616
Net Fixed Assets	76,269	3,772
Other Assets:		
Trademarks, Net	76,718	89,504
Website, Net	7,999	15,534
Total Other Assets	84,717	105,038
Total Assets	\$ 4,374,966	\$ 2,442,460
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued Expenses	\$ 10,868	\$ 6,248
Grants Payable	1,578,423	1,009,644
Total Current Liabilities	1,589,291	1,015,892
Long Term Liabilities:		
Grants Payable, Net of Current Portion	825,000	280,000
Total Long Term Liabilities	825,000	280,000
Total Liabilities	2,414,291	1,295,892
Net Assets:		
Unrestricted	1,505,351	995,530
Temporarily Restricted	354,766	151,038
Permanently Restricted	100,558	-
Total Net Assets	1,960,675	1,146,568
Total Liabilities and Net Assets	\$ 4,374,966	\$ 2,442,460

See auditor's report and accompanying notes to financial statements.

METAVIVOR RESEARCH AND SUPPORT, INC.
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Contributions	\$ 1,161,027	\$ 385,176	\$ -	\$ 1,546,203	\$ 1,295,786	\$ 70,000	\$ -	\$ 1,365,786
Sponsorships	321,168	70,000	-	391,168	46,350	-	-	46,350
Special Events and Fundraiser Income	731,715	-	-	731,715	185,678	-	-	185,678
Inkind Contributions	2,305	-	-	2,305	9,275	-	-	9,275
Interest and Other Income	40,522	-	-	40,522	18,710	-	-	18,710
Licensing Revenue	35,262	-	-	35,262	-	-	-	-
Endowment	-	-	100,558	100,558	-	-	-	-
Net Assets Released from Restrictions	251,448	(251,448)	-	-	187,240	(187,240)	-	-
Total Revenue and Support	2,543,447	203,728	100,558	2,847,733	1,743,039	(117,240)	-	1,625,799
EXPENSES								
Program	1,844,389	-	-	1,844,389	714,887	-	-	714,887
Management and General	99,130	-	-	99,130	42,315	-	-	42,315
Fundraising	90,106	-	-	90,106	47,903	-	-	47,903
Total Expenses	2,033,626	-	-	2,033,626	805,105	-	-	805,105
Change in Net Assets	509,821	203,728	100,558	814,107	937,934	(117,240)	-	820,694
Net Assets at Beginning of Year	995,530	151,038	-	1,146,568	57,596	268,278	-	325,874
Net Assets at End of Year	\$ 1,505,351	\$ 354,766	\$ 100,558	\$ 1,960,675	\$ 995,530	\$ 151,038	\$ -	\$ 1,146,568

See auditor's report and accompanying notes to financial statements.

METAVIVOR RESEARCH AND SUPPORT, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Advertising	\$ 1,591	\$ -	\$ -	\$ 1,591	\$ 12,900	\$ -	\$ -	\$ 12,900
Amortization	10,277	5,139	5,138	20,554	10,277	5,139	5,139	20,555
Bank Fees	-	5,695	-	5,695	-	502	-	502
Communications	6,581	-	731	7,312	6,534	-	726	7,260
Depreciation	-	19,779	-	19,779	-	1,278	-	1,278
Event and Conferences	-	-	77,258	77,258	4,929	-	39,719	44,648
Grants Awarded	1,650,000	-	-	1,650,000	560,000	-	-	560,000
Insurance	-	4,972	-	4,972	-	3,051	-	3,051
Miscellaneous Expenses	-	4,214	-	4,214	-	5,303	-	5,303
Office Expenses	-	11,901	-	11,901	-	10,168	-	10,168
Postage and Delivery	7,205	-	-	7,205	3,201	-	-	3,201
Printing	8,236	-	-	8,236	3,190	-	-	3,190
Professional Fees	120,391	47,109	6,979	174,479	94,293	15,883	2,319	112,495
Taxes	-	321	-	321	-	991	-	991
Travel	40,109	-	-	40,109	19,563	-	-	19,563
Total Expenses	\$ 1,844,389	\$ 99,130	\$ 90,106	\$ 2,033,626	\$ 714,887	\$ 42,315	\$ 47,903	\$ 805,105

See auditor's report and accompanying notes to financial statements.

METAVIVOR RESEARCH AND SUPPORT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 814,107	\$ 820,694
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	19,779	1,278
Amortization	20,554	20,555
(Increase) Decrease in Accounts Receivable	(69,480)	9,268
Increase in Inventory	(7,342)	(1,881)
Increase in Accrued Expenses	4,620	6,248
Increase in Grants Payable	1,113,778	45,839
Net Cash Provided by Operating Activities	1,896,016	902,001
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(92,508)	-
Net Cash Used for Investing Activities	(92,508)	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Increase in Cash	1,803,508	902,001
Cash, Beginning of Year	2,217,422	1,315,421
Cash, End of Year	\$ 4,020,930	\$ 2,217,422

See auditor's report and accompanying notes to financial statements.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

METAvisor Research and Support, Inc. (the Organization) was incorporated in 2009 as a private, non-profit organization dedicated to support women and men with metastatic breast cancer, to promote awareness of the disease, and to fund research grants that will lead to treatments that will change the course of the disease from a terminal one to a chronic, controlled condition. The Organization is primarily supported by contributions, sponsorships, and fundraising events.

Basis of Accounting

The financial statements of METAvisor Research and Support, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization's financial reporting classifies resources, for accounting and reporting purposes, into three net asset categories according to externally (donor) imposed restrictions. The Organization records unconditional promises to give (pledges) as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Contributions received are reported as unrestricted support if the donor restrictions are met in the same reporting period.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants and Other Receivables

Accounts receivable relate primarily to contribution and sponsor receivables. Receivables are stated at the amount expected to be collected based on an analysis of the accounts receivable at year end and prior to collection history. No interest is charged on outstanding receivables. Receivables are charged off as management deems them uncollectible. Management has determined that an allowance was not necessary at December 31, 2017 and 2016. All amounts are collectible within one year.

Inventory

Inventories at December 31, 2017 and 2016 consist of t-shirts, pins, bracelets and other items for resale. Inventory is carried at the lower of cost or market and is valued on the first in, first out method.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Equipment is recorded at cost if purchased, or fair market value at the time of donation if donated, if the useful life of the asset exceeds one year. Assets are depreciated on a straight line basis over their anticipated useful life, generally three to seven years. Restrictions on gifts of fixed assets or cash for the purpose of fixed assets expire when the asset is placed in service.

Donated Services, Materials and Facilities

Donated services are recognized as contributions at their estimated fair value at the date of donation, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

In addition to donated professional services, a substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fundraising campaigns. However, these amounts have not been recognized in the accompanying statements of activities and changes in net assets for these contributed services because the conditions for requiring recognition of such volunteer effort under generally accepted accounting principles do not exist.

Income Tax Status

METAvisor Research and Support, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been classified as an organization that is not a private organization under Section 509(a)(1). The Federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Expense Allocation

Expenses are allocated between program services, management and general support, and fundraising, in accordance with generally accepted accounting principles. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These changes have had no effect on the net income for the years ended December 31, 2017 and 2016.

METAVIVOR RESEARCH AND SUPPORT, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization expenses advertising costs as they are incurred.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to March 27, 2018 that would have a material impact on the financial statements.

NOTE 2 - CASH CONCENTRATION

Demand deposits and certificates of deposit held at commercial banking institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The Organization has cash balances on deposit at December 31, 2017 which exceeded the balance insured by the FDIC by approximately \$904,100.

NOTE 3 - INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2017 and 2016:

<u>2017</u>	Useful <u>Life</u>	<u>Cost</u>	Accumulated <u>Amortization</u>	Net Carrying <u>Amount</u>
Website	5 years	\$ 39,071	\$ 31,072	\$ 7,999
Trademark Defense	10 years	<u>127,862</u>	<u>51,144</u>	<u>76,718</u>
Total		\$ <u>166,933</u>	\$ <u>82,216</u>	\$ <u>84,717</u>
<u>2016</u>	Useful <u>Life</u>	<u>Cost</u>	Accumulated <u>Amortization</u>	Net Carrying <u>Amount</u>
Website	5 years	\$ 38,839	\$ 23,304	\$ 15,535
Trademark Defense	10 years	<u>127,862</u>	<u>38,359</u>	<u>89,503</u>
Total		\$ <u>166,701</u>	\$ <u>61,663</u>	\$ <u>105,038</u>

METAVIVOR RESEARCH AND SUPPORT, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3 - INTANGIBLE ASSETS (CONTINUED)

Amortization expense expected for the next five years is as follows:

2018	\$	20,554
2019		12,786
2020		12,786
2021		12,786
2022		<u>12,786</u>
Total	\$	<u>71,698</u>

NOTE 4 - NET ASSETS

Temporarily restricted net assets as of December 31, 2017 and 2016 are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Sea to Sea Event	\$ 185,863	\$ 116,845
Avon	7,884	7,884
Time	103,678	---
Stage IV Stampede	---	26,309
Online Support Services	33,500	---
PCORI	<u>23,841</u>	<u>---</u>
Total	\$ <u>354,766</u>	\$ <u>151,038</u>

The endowment is permanently restricted and has balances of \$100,558 and \$0 at December 31, 2017 and 2016, respectively.

NOTE 5 - ENDOWMENT

The Board of Directors has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (MPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5 - ENDOWMENT (CONTINUED)

classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MPMIFA. In accordance with MPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization's endowment is comprised of donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Funds that are specifically designated by the donor to be contributed to the endowment fund are placed in that sub-fund so designated. The use of endowment funds that are donor-restricted for a specific purpose are strictly restricted for the specified purpose. Endowment funds that are not specifically directed are placed in the general purpose endowment fund.

Contributions to the endowment fund may be in the form of cash, securities, bequests, trusts, or other planned gifts. In addition, the Board of Directors of the Organization bear the right to reject any contribution that carries any restriction placed by the donor or otherwise, that is deemed by the Board to be inconsistent with the objectives and purposes of the Organization and its needs, to be incompatible with its endowment policy or to be illegal.

Donor-directed named endowment funds may be created for purposes consistent with this endowment policy. Such named funds are required to be in an amount sufficient to support the designated purpose as determined by the Board of Directors.

For investing purposes, endowment funds may be commingled consistent with legal and/or regulatory provisions. However, each directed gift is accounted for separately, although unnamed gifts directed for the same purpose may be accounted for in the aggregate.

Income from that portion of specified purpose endowment funds may be distributed only for such purpose. The Board of Directors, at their discretion, may distribute that portion of income from the general purpose endowment fund for any purpose consistent with the purposes of the Organization.

In order to preserve the real value of the endowment fund principal, the Board of Directors determines a distribution rate that reflects a reasonable balance between current spending outlays and reinvestment to support spending in the future.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5 - ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of December 31, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
Donor-Restricted Endowment Funds	\$ ---	\$ ---	\$ 100,558	\$ 100,558
Board-Designated Endowment Funds	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$ <u>---</u>	\$ <u>---</u>	\$ <u>100,558</u>	\$ <u>100,558</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
Endowment Net Assets, Beginning of Year	\$ ---	\$ ---	\$ ---	\$ ---
Contributions	---	---	100,558	100,558
Investment Income	---	---	---	---
Net Appreciation (Depreciation)	---	---	---	---
Amounts Appropriated For Expenditure	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Endowment Net Assets, End of Year	\$ <u>---</u>	\$ <u>---</u>	\$ <u>100,558</u>	\$ <u>100,558</u>

NOTE 6 - DONATED SERVICES AND FACILITIES

The value of donated services and facilities included as contributions in the financial statements and the corresponding expenses for the year ended December 31, 2017 and 2016 are as follows:

<u>2017</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Legal Services	\$ <u>1,591</u>	\$ <u>622</u>	\$ <u>92</u>	\$ <u>2,305</u>	
Total	\$ <u>1,591</u>	\$ <u>622</u>	\$ <u>92</u>	\$ <u>2,305</u>	
	<u>2016</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Legal Services	\$ 3,250	\$ 1,625	\$ 1,625	\$ 6,500	
Accounting	<u>1,387</u>	<u>694</u>	<u>694</u>	<u>2,775</u>	
Total	\$ <u>4,637</u>	\$ <u>2,319</u>	\$ <u>2,319</u>	\$ <u>9,275</u>	

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - GRANTS TO OTHER ORGANIZATIONS

The Organization awards two-year grants to fund research to end death from metastatic breast cancer. Future payments are as follows:

2018	\$	1,578,423
2019		<u>825,000</u>
Total	\$	<u>2,403,423</u>