



METAVIVOR

Metastatic Breast Cancer Awareness, Research and Support

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

METAVIVOR RESEARCH AND SUPPORT, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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Independent Auditor's Report

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

We have audited the accompanying financial statements of METAvivor Research and Support, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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, 2016 and 2015, 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.

Toal, Griffith + Ragula, LLC

February 22, 2017

METAVIVOR RESEARCH AND SUPPORT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 2,217,422	\$ 1,315,421
Grants/Contributions Receivable	104,198	113,466
Inventory	12,030	10,149
Total Current Assets	2,333,650	1,439,036
Fixed Assets:		
Equipment	6,388	6,388
Accumulated Depreciation	2,616	1,338
Net Fixed Assets	3,772	5,050
Other Assets:		
Trademarks, Net	89,504	102,290
Website, Net	15,534	23,303
Total Other Assets	105,038	125,593
Total Assets	\$ 2,442,460	\$ 1,569,679
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued Expenses	\$ 6,248	\$ -
Grants Payable	1,009,644	296,305
Total Current Liabilities	1,015,892	296,305
Long Term Liabilities:		
Grants Payable, Net of Current Portion	280,000	947,500
Total Long Term Liabilities	280,000	947,500
Total Liabilities	1,295,892	1,243,805
Net Assets:		
Unrestricted	995,530	57,596
Temporarily Restricted	151,038	268,278
Total Net Assets	1,146,568	325,874
Total Liabilities and Net Assets	\$ 2,442,460	\$ 1,569,679

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, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Contributions	\$ 1,295,786	\$ 70,000	\$ 1,365,786	\$ 704,687	\$ 258,466	\$ 963,153
Sponsorships	46,350	-	46,350	93,900	-	93,900
Special Events	185,678	-	185,678	19,625	-	19,625
Inkind Contributions	9,275	-	9,275	10,302	-	10,302
Interest and Other Income	18,710	-	18,710	16,302	-	16,302
Net Assets Released from Restrictions	187,240	(187,240)	-	75,188	(75,188)	-
Total Revenue and Support	1,743,039	(117,240)	1,625,799	920,004	183,278	1,103,282
EXPENSES						
Program	714,887	-	714,887	1,113,287	-	1,113,287
Management and General	42,315	-	42,315	36,109	-	36,109
Fundraising	47,903	-	47,903	23,288	-	23,288
Total Expenses	805,105	-	805,105	1,172,684	-	1,172,684
Change in Net Assets	937,934	(117,240)	820,694	(252,680)	183,278	(69,402)
Net Assets at Beginning of Year	57,596	268,278	325,874	310,276	85,000	395,276
Net Assets at End of Year	<u>\$ 995,530</u>	<u>\$ 151,038</u>	<u>\$ 1,146,568</u>	<u>\$ 57,596</u>	<u>\$ 268,278</u>	<u>\$ 325,874</u>

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, 2016 AND 2015

	2016				2015			
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Advertising	\$ 800	\$ -	\$ -	\$ 800	\$ 1,680	\$ -	\$ -	\$ 1,680
Amortization	10,277	5,139	5,139	20,555	10,277	5,139	5,139	20,555
Bank Fees	-	502	-	502	-	3,576	-	3,576
Avon Project	30,083	-	-	30,083	12,033	-	-	12,033
Communications	6,534	-	726	7,260	3,843	1,922	1,922	7,687
Depreciation	-	1,278	-	1,278	-	1,278	-	1,278
Event Expense	-	-	39,719	39,719	63,155	-	10,234	73,389
Grants Awarded	560,000	-	-	560,000	1,000,000	-	-	1,000,000
Insurance	-	3,051	-	3,051	-	1,233	-	1,233
Miscellaneous Expenses	-	5,303	-	5,303	-	4,511	-	4,511
Office Expenses	-	10,168	-	10,168	-	12,106	-	12,106
Postage and Delivery	3,201	-	-	3,201	3,443	-	-	3,443
Printing	3,190	-	-	3,190	1,296	-	-	1,296
Professional Fees	40,224	15,883	2,319	58,426	11,985	5,993	5,993	23,971
Stage IV Stampede	43,691	-	-	43,691	-	-	-	-
Taxes	-	991	-	991	-	351	-	351
Travel	16,887	-	-	16,887	5,575	-	-	5,575
Total Expenses	\$ 714,887	\$ 42,315	\$ 47,903	\$ 805,105	\$ 1,113,287	\$ 36,109	\$ 23,288	\$ 1,172,684

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, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 820,694	\$ (69,402)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,278	1,278
Amortization	20,555	20,555
(Increase) Decrease in Accounts Receivable	9,268	(113,466)
Increase in Inventory	(1,881)	(10,149)
Increase in Accrued Expenses	6,248	-
Increase in Grants Payable	45,839	753,803
Net Cash Provided by Operating Activities	902,001	582,619
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Increase in Cash	902,001	582,619
Cash, Beginning of Year	1,315,421	732,802
Cash, End of Year	\$ 2,217,422	\$ 1,315,421

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, 2016 AND 2015

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, 2016 AND 2015

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.

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.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

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.

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 February 22, 2017 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, 2016 which exceeded the balance insured by the FDIC by approximately \$594,670.

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 3 - INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2016 and 2015:

<u>2016</u>	<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Website	5 years	\$ 38,839	\$ 23,304	\$ 15,536
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>105,039</u>
<u>2015</u>	<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Website	5 years	\$ 38,839	\$ 15,536	\$ 23,303
Trademark Defense	10 years	<u>127,862</u>	<u>25,572</u>	<u>102,290</u>
Total		\$ <u>166,701</u>	\$ <u>41,108</u>	\$ <u>125,593</u>

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

2017	\$ 20,554
2018	20,554
2019	12,786
2020	12,786
2021	<u>12,786</u>
Total	\$ <u>79,466</u>

NOTE 4 - NET ASSETS

Temporarily restricted net assets as of December 31, 2016 and 2015 are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Sea to Sea Event	\$ 116,845	\$ 116,845
Avon	7,884	37,967
Accounts Receivable	---	13,466
Stage IV Stampede	26,309	---
Pfizer	<u>---</u>	<u>100,000</u>
Total	\$ <u>151,038</u>	\$ <u>268,278</u>

METAVIVOR RESEARCH AND SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 5 - 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, 2016 and 2015 are as follows:

<u>2016</u>	Program Services	Management and General	Fundraising	Total
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>
<u>2015</u>	Program Services	Management and General	Fundraising	Total
Legal Services	\$ 3,493	\$ 1,882	\$ 1,882	\$ 7,527
Accounting	<u>1,387</u>	<u>694</u>	<u>694</u>	<u>2,775</u>
Total	\$ <u>4,880</u>	\$ <u>2,576</u>	\$ <u>2,576</u>	\$ <u>10,302</u>