

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017

(WITH SUMMARIZED TOTALS FOR 2016)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Triple Negative Breast Cancer Foundation, Inc.

We have audited the accompanying financial statements of Triple Negative Breast Cancer Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, statement of functional expenses and cash flows for the year 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 audit. We conducted our audit 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 of 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 Triple Negative Breast Cancer Foundation, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter/Summarized Comparative Information

The financial statements of Triple Negative Breast Cancer Foundation, Inc. as of December 31, 2016, were audited by other auditors whose report, dated August 1, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

June 15, 2018
Glen Rock, NJ

Catania & Gutwetter, P.A.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

ASSETS

	2017	2016
Assets:		
Cash and cash equivalents	\$ 241,062	\$ 495,583
Investments at market	638,359	554,238
Pledges receivable	6,100	18,300
Prepaid expenses and other current assets	9,584	9,566
Property and Equipment, net	-	1,888
Total Assets	895,105	1,079,575
TOTAL ASSETS	\$ 895,105	\$ 1,079,575

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 43,996	\$ 43,073
Grants payable	264,833	606,566
Total Liabilities	308,829	649,639
Net Assets:		
Unrestricted	531,276	271,843
Temporarily Restricted	55,000	158,093
Total Net Assets	586,276	429,936
TOTAL LIABILITIES AND NET ASSETS	\$ 895,105	\$ 1,079,575

See accompanying notes and accountants' audit report.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

	For the Year Ended December 31,			2016
	2017			
	Unrestricted	Temporarily Restricted	Total	Total
Public support and revenue				
Public support				
Contributions	\$ 714,812	\$ 280,005	\$ 994,817	\$ 861,518
Special events income	21,350	-	21,350	22,400
Net assets released from restriction	383,098	(383,098)	-	-
Revenue				
Investment return, net	69,605	-	69,605	46,790
Total public support and revenue	1,188,865	(103,093)	1,085,772	930,708
Expenses				
Program services	605,717	-	605,717	717,373
Management and general	130,290	-	130,290	110,874
Fundraising	193,425	-	193,425	176,528
Total expenses	929,432	-	929,432	1,004,775
Changes in net assets	259,433	(103,093)	156,340	(74,067)
Net assets, end of year	\$ <u>531,276</u>	\$ <u>55,000</u>	\$ <u>586,276</u>	\$ <u>429,936</u>

See accompanying notes and accountants' audit report.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

	<u>For the Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cash flow from operating activities		
Changes in net assets	\$ 156,340	\$ (74,067)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,888	1,888
Net realized (gain)/loss on investments	(11,252)	6,743
Net unrealized (gain)/loss on investments	(39,484)	(35,574)
Amortization of bond premium		
(Decrease) increase in cash attributable to change in assets and liabilities:		
Pledges receivable	12,200	(13,700)
Prepaid expenses and other current assets	(164)	9,420
Accounts payable and accrued expenses	923	13,391
Grants payable	(341,733)	194,566
Net cash provided by operating activities	<u>(221,282)</u>	<u>102,667</u>
Cash flows from investing activities		
Proceeds from sale of investments	221,082	390,046
Purchase of investments	(254,321)	(460,971)
Net cash used in investing activities	<u>(33,239)</u>	<u>(70,925)</u>
Net decrease in cash	(254,521)	31,742
Cash and cash equivalents balance at beginning of year	<u>495,583</u>	<u>463,841</u>
Cash and cash equivalents balance at end of year	<u>\$ 241,062</u>	<u>\$ 495,583</u>
Supplemental Cash Flow Disclosures:		
Cash paid during the period for		
Interest	\$ -	\$ -
Income tax	\$ -	\$ -

See accompanying notes and accountants' audit report.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

	For the Year Ended December 31,				2016
	2017			Total	
	Program Services	Management and General	Fund Raising		
Program costs and expenses	\$ 17,747	\$ -	\$ -	\$ 17,747	\$ 10,104
Grants	384,393	-	-	384,393	512,292
Insurance	-	6,552	-	6,552	6,573
Travel and entertainment	1,463	-	-	1,463	2,621
Printing and photography	-	-	-	-	2,080
Advertising and promotion	1,107	-	1,107	2,214	3,570
Web design and hosting	17,009	-	17,008	34,017	37,640
Office expense	2,207	28,689	13,241	44,137	37,142
Salaries and benefits	180,959	81,723	29,187	291,869	269,996
Professional fees	832	13,326	2,499	16,657	9,296
Special events	-	-	130,383	130,383	113,461
Total expenses	<u>\$ 605,717</u>	<u>\$ 130,290</u>	<u>\$ 193,425</u>	<u>\$ 929,432</u>	<u>\$ 1,004,775</u>

See accompanying notes and accountants' audit report.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Nature of Organization

Triple Negative Breast Cancer Foundation, Inc. (the “Foundation”) is a not-for-profit organization. Triple negative breast cancer is a form of breast cancer that tests negative for three common receptors (estrogen, progesterone, and HER2). The Foundation’s mission is to raise awareness of triple negative breast cancer, and to support scientists and researchers in their quest for effective prevention, detection and treatment of the disease.

The Foundation is exempt from Federal income taxes under section 501 (c)(3) of the Internal Revenue Service Code and has been classified as a publicly supported organization as described in Code sections 509(a)(1) and 170(b)(A)(VI).

SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through June 15, 2018, the date of which the financial statements were available to be issued.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The financial statements of the Foundation have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Net Asset Accounting

The Foundation’s net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Permanently Restricted- Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Temporarily Restricted – Net assets resulting from contributions and other inflows of assets whose use by the Foundation 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. When such stipulations end or are fulfilled, such temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted – The part of the net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

At December 31, 2017, the Foundation had \$55,000 of temporarily restricted net assets and no permanently restricted net assets.

Income Taxes

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740, *Income Taxes*, the Foundation applies the “more likely than not” threshold to the recognition and derecognition of tax positions for its financial statements. Using that guidance, the Foundation believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of December 31, 2017.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

The Internal revenue Service (“IRS”) has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the “Code”) and from state and local income taxes under comparable laws.

Management has evaluated the Foundation’s tax positions for all open tax years and has concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of GAAP. The Foundation’s tax returns are generally subject to examination by federal and state authorities for three years.

The Foundation files information tax returns in the U.S. Federal, New York State and State of New Jersey jurisdictions.

Public Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or relate to future periods. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use 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 at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Property and Equipment

Fixed assets are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The cost of maintenance and repairs is charged to income as incurred; significant renewals or betterments are capitalized.

Cash Equivalents

The Foundation considers cash and temporary investments with a maturity of three months or less as cash equivalents.

Investments

Under Not-for-Profit Accounting Standards, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the new standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are observable and significant to the fair value measurement.

Depreciation

Depreciation has been provided on estimated useful lives for financial accounting purposes and statutory lives for tax purposes. Both utilize the straight-line and accelerated methods. The estimated and statutory lives used are as follows:

Equipment	5 years
Website	3 years

Expenditures for maintenance and repairs are charged to operations, and renewals and betterments are capitalized.

In-Kind Donations and Contributed Services

Material gifts in kind used by the Triple Negative Breast Cancer Foundation are recorded as income and expense at the time the items are placed into service or distributed.

Contributed services are reported as contributions at the fair value if such services create or enhance nonfinancial assets, would have been purchased if not provided by contributions, require specialized skills and are provided by individuals possessing such specialized skills.

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing various services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 presentation.

INVESTMENTS

Investments at December 31, 2017 consisted of the following:

	<u>2017</u>		Excess/ (Deficiency) of Market Over Cost
	<u>Cost</u>	<u>Fair Value</u>	
Cash and Money Market Fund	\$ 19,125	\$ 19,125	\$ -
Common Stock	94,463	119,785	25,322
Exchange-Traded & Closed-End	280,742	305,027	24,285
Mutual Funds	<u>187,110</u>	<u>194,422</u>	<u>7,312</u>
Total Investments	<u>\$ 581,440</u>	<u>\$ 638,359</u>	\$ 56,919

Investment return and its classification in the Statements of Activities and Changes in Net Assets for the year ended December 31, 2017 is as follows:

	2017
	<u>Unrestricted</u>
Interest and dividends	\$ 18,869
Unrealized gain/loss	39,484
Realized gain/loss	<u>11,252</u>
	<u>\$ 69,605</u>

TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

FAIR VALUE MEASUREMENT

Assets and liabilities measured at fair value are based on one or more of three valuations techniques identified in the tables below. The valuation techniques are as follows:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the Foundation's assets measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy as of December 31, 2017:

	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2017	Valuation Technique
Cash and Money					
Market Funds	\$ 19,125	\$ -	\$ -	\$ 19,125	(a)
Common Stock	119,785	-	-	119,785	(a)
Exchange-Traded and					
Closed-End Funds	305,027	-	-	305,027	(a)
Mutual Funds	194,421	-	-	194,421	(a)
Total	<u>\$ 638,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,358</u>	

During the year ended December 31, 2017, there were no transfers between levels of the fair value hierarchy.

COMMITMENTS

Grants Payable

Grants payable represents all unconditional grants that have been authorized prior to year-end, but remain unpaid at December 31, 2017.

Other Grants

During 2017, the foundation entered into agreements with various other organizations to provide grants for program services related to triple negative breast cancer. The total grants awarded were \$384,393. As of December 31, 2017, \$181,500 was outstanding.

CONCENTRATION OF CREDIT RISKS

The Foundation maintains cash balances with major financial institutions which routinely during 2017 were in excess of federal insurance limits. The Foundation has not experienced any losses in these accounts, and management does not believe the Foundation is exposed to any significant credit risks with respect to cash.