

**Triple Negative Breast Cancer Foundation, Inc.**

**Financial Statements**

**For the Years Ended December 31, 2011 and 2010**

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# Michael S. Libock & Co., LLC

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Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
Triple Negative Breast Cancer Foundation, Inc.

We have audited the accompanying statements of financial position of Triple Negative Breast Cancer Foundation, Inc. as of December 31, 2011 and 2010 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Triple Negative Breast Cancer Foundation, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

***Michael S. Libock & Co., LLC, CPA's***  
Michael S. Libock & Co., LLC

June 30, 2012

Westwood, New Jersey

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,			2010
	2011		Total	
	Unrestricted	Temporarily Restricted		
<b>Assets</b>				
Cash and cash equivalents	\$ 757,412	\$ 35,000	\$ 792,412	\$ 813,079
Contributions receivable	38,526		38,526	78,099
Property and equipment at cost, net of accumulated depreciation	620		620	798
Other assets	1,860		1,860	34,494
<b>Total assets</b>	<b>\$ <u>798,418</u></b>	<b>\$ <u>35,000</u></b>	<b>\$ <u>833,418</u></b>	<b>\$ <u>926,470</u></b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 22,147		\$ 22,147	\$ 87,321
Grant payable	375,000		375,000	300,000
<b>Total current liabilities</b>	<b><u>397,147</u></b>	<b><u>-</u></b>	<b><u>397,147</u></b>	<b><u>387,321</u></b>
<b>Net assets</b>				
Unrestricted	401,271		401,271	529,149
Temporarily restricted		\$ 35,000	35,000	10,000
<b>Total net assets</b>	<b><u>401,271</u></b>	<b><u>35,000</u></b>	<b><u>436,271</u></b>	<b><u>539,149</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>798,418</u></b>	<b>\$ <u>35,000</u></b>	<b>\$ <u>833,418</u></b>	<b>\$ <u>926,470</u></b>

**See Independent Auditor's Report and Accompanying Notes to Financial Statements**

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	For the Years Ended December 31,			2010
	2011			
	Unrestricted	Temporarily Restricted	Total	
Public support and revenue				
Public support				
Contributions	\$ 770,069	\$ 35,000	\$ 805,069	\$ 471,368
Donated services				
Net assets released from restriction	10,000		10,000	
Revenue				
Interest and dividend income	<u>1,604</u>		<u>1,604</u>	<u>1,851</u>
Total public support and revenue	<u>781,673</u>	<u>35,000</u>	<u>816,673</u>	<u>473,219</u>
Expenses				
Program services	577,577		577,577	446,012
Management and general	139,816		139,816	84,122
Fundraising	<u>202,158</u>		<u>202,158</u>	<u>57,728</u>
Total expenses	<u>919,551</u>		<u>919,551</u>	<u>587,862</u>
Changes in net assets	(137,878)	35,000	(102,878)	(114,643)
Net assets, beginning of year	<u>539,149</u>		<u>539,149</u>	<u>653,792</u>
Net assets, end of year	<u>\$ 401,271</u>	<u>\$ 35,000</u>	<u>\$ 436,271</u>	<u>\$ 539,149</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**

	For the years ended December 31,	
	2011	2010
Cash flows from operating activities		
Changes in net assets	\$ (102,878)	\$ (114,643)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	178	89
Increase (decrease) in cash attributable to change in assets and liabilities:		
Decrease in contributions receivable	39,573	11,386
Increase (Decrease) in other assets	32,634	(34,094)
Increase (Decrease) in accounts payable and accrued expenses	(65,174)	64,383
Increase in grants payable	75,000	300,000
Net cash (used in) / provided by operating activities	(20,667)	227,121
Cash flows from investing activities		
Investment in equipment		(887)
Net cash used in investing activities		(887)
Net increase (decrease) in cash	(20,667)	226,234
Cash and cash equivalents balance at beginning of year	813,079	586,845
Cash and cash equivalents balance at end of year	\$ 792,412	\$ 813,079

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

	For the years ended December 31,							
	2011				2010			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Program costs and expenses	\$ 10,382			\$ 10,382	\$ 62,675			\$ 62,675
Grants	492,500			492,500	300,000			300,000
Fundraising event expenses			\$ 130,095	130,095			\$ 7,265	7,265
Insurance		\$ 2,644		2,644		\$ 1,848		1,848
Travel	13,297		3,325	16,622	32,244			32,244
Printing and photography	5,093	656	5,094	10,843	208	625	208	1,041
Promotion and entertainment	623		623	1,246	629	2,518		3,147
Web design and hosting	3,660		3,660	7,320	14,388	14,824	14,388	43,600
Office expense	2,283	33,864	6,562	42,709		31,565		31,565
Salaries & Benefits	23,796	45,272	23,272	92,340	29,333	25,083	29,333	83,749
Miscellaneous				-		927		927
Professional fees	25,943	57,380	29,527	112,850	6,535	6,732	6,534	19,801
<b>Total expenses</b>	<b>\$ <u>577,577</u></b>	<b>\$ <u>139,816</u></b>	<b>\$ <u>202,158</u></b>	<b>\$ <u>919,551</u></b>	<b>\$ <u>446,012</u></b>	<b>\$ <u>84,122</u></b>	<b>\$ <u>57,728</u></b>	<b>\$ <u>587,862</u></b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – 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).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Basis

The financial statements of Triple Negative Breast Cancer Foundation, Inc. have been prepared on the accrual basis of accounting.

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 organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

**Temporarily Restricted** – Net assets resulting from contributions and 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. When such stipulations end or are fulfilled, such temporarily 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, 2011, the Foundation had \$35,000 temporarily restricted net assets and no permanently restricted net assets.



**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
continued:**

Income Taxes

No provision has been made for income taxes because Triple Negative Breast Cancer Foundation, Inc. is exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Contributions

Unconditional grants and contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. These gifts are reported as unrestricted funds at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Foundation maintains its cash in bank accounts with reputable financial institutions. These accounts, at times, may exceed federally insured limits; however, the Foundation has not experienced any losses in such accounts to date. Management believes that the Foundation is not exposed to any significant risk on the Foundation's cash balances.

Cash equivalents consist of highly liquid investments with original maturities of three months or less. The carrying amount of the Foundation's cash and cash equivalents approximates fair value because of the short-term maturity of these instruments.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are determined by comparison of cost, computed on a first-in, first-out basis, with proceeds or fair value. Cost of securities is determined by purchase price, or fair value of receipt, if donated. Valuations of securities are based on published closing prices on the last day of the fiscal year.

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
continued:**

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

Donations-in Kind 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 their 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.

Use of Estimates in the Preparation of Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses, including the allocation of functional expenses. Actual results could vary from the estimates that management uses.

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.

Comparative Financial Statements

Certain 2010 accounts have been recombined in order to be comparative with the 2011 financial statement format.

**TRIPLE NEGATIVE BREAST CANCER FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – COMMITMENTS**

**Executive Director Agreement**

On February 27, 2012, the Foundation contracted an Executive Director for an employment position for one year. The contract will be automatically renewed for another year, unless one of the other parties terminates.

**Grant Payable**

Susan G. Komen Breast Cancer Foundation

On December 10, 2008, the Foundation contracted the Susan G. Komen Breast Cancer Foundation, Inc. (d/b/a Susan G. Komen for the Cure) (Komen) to co-fund “Susan G. Komen for the Cure Promise Grant” (the “TNBC Promise Grant”). In exchange, the Foundation will have the ability to review and opine on cancer research scientists who are applying for the Foundation’s funds.

Originally, Komen and the Foundation set the funding commitment for the TNBC Promise Grant in the amount of \$7,500,000. The amount was then revised to \$6,400,000, when Komen entered into an agreement with the recipient of the grant. As of December 31, 2011, the Foundation has disbursed to Komen \$950,000 for the co-funding of the grant.

The Foundation has the option within a certain time period every year to renew the term of the agreement or to enter into another agreement with Komen in relation to the funding of the TNBC Promise Grant. The November 1, 2010 agreement stipulates the 2010 and 2011 payments to Komen in the amount of \$150,000 each. Both payments were executed in 2011.

A renewed agreement with Komen effective December 1, 2011, was signed on March 31, 2012, indicating a total commitment of \$300,000 payable in 2012.

Other Grants

In December 2010, the foundation made a commitment to award Symposium Grants in the amount of \$75,000 each to two institutions: the Leland Stanford University and the University of Medicine and Dentistry of New Jersey. The grants are to be used in triple-negative breast cancer research. Commitment to the Leland Stanford University has been paid in 2011, while commitment to the University of Medicine and Dentistry of New Jersey is still outstanding as of December 31, 2011.