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Louisa M. McGregor
Ovarian Cancer Foundation®

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ANNUAL POST-AUDIT PRESENTATION

(FOR THE AUDIT YEAR ENDED DECEMBER 31, 2016)

DECEMBER 2017

MARKS PANETH
ACCOUNTANTS & ADVISORS

Annual Post-Audit Presentation – December 2017

(For the Audit Year Ended December 31, 2016)

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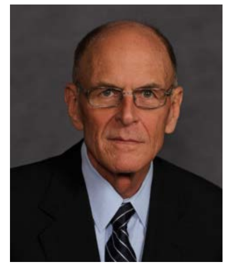

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MARKS PANETH LLP OVERVIEW SNAPSHOT

* Accounting Today   **Access to Global Resources through Independent Membership

Marks Paneth LLP is a premier accounting firm with origins dating back to 1907. With a team of nearly 700 professionals, the firm provides a full range of audit, accounting, tax and consulting services, with specialties in auditing Nonprofits, international tax, forensic accounting, litigation support, family office and financial advisory services.

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Headquartered in New York City, with additional offices in New York State, New Jersey, Pennsylvania, Washington, DC and Florida, Marks Paneth is ranked by Accounting Today as the 30th largest accounting firm in the nation and among the top 10 in the Mid-Atlantic Region. For more information, visit www.markspaneth.com.

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- Serving the NFP community for over 60 years
- Serving over 150 tax exempt and government clients
- Our Group does over 70 Pension Plan Audits and over 100 Single Audits
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- Group leadership has authored numerous accounting and tax books
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- 45% of all Marks Paneth's audits are:
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  - FAE President
  - Board Member
  - Audit Committee Chair
  - Nonprofit Committee Chair
  - Government Committee Chair

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T.E.A.L. Foundation

Annual Post-Audit Presentation

Report to the Audit Committee

(Under AICPA AU-C Section 260)

For the Audit Year Ended December 31, 2016

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New York
New Jersey
Pennsylvania
Washington, DC
Florida

MARKS PANETH
ACCOUNTANTS & ADVISORS

November 14, 2017

To the Audit Committee of the
T.E.A.L. Foundation

In accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"), Marks Paneth LLP ("us" or "we" or "our") is pleased to provide this communication under the American Institute of Certified Public Accountants ("AICPA) AU-C Section 260 *"The Auditor's Communication with Those Charged with Governance"*. In your case, the Finance Committee (or "you"), on behalf of the Board of Directors, as the party charged with governance, has the responsibility to oversee the external audit of T.E.A.L. Foundation ("T.E.A.L."). Marks Paneth has a responsibility to bring to the attention of the Board of Directors and the Audit Committee, any accounting, auditing, internal control, or other related matters that we believe warrant the Board's consideration or action. Matters in this communication are concerning the completion of the December 31, 2016 financial statement audit.

This report is intended solely for the information and use of the Board of Directors, the Audit Committee, and management of T.E.A.L., and is not intended to be and should not be used by anyone other than those specified parties, unless permission is granted.

Very truly yours,

Marks Paneth LLP

MARKS PANETH LLP

T.E.A.L. Foundation
Report to the Audit Committee
For the Audit Year Ended December 31, 2016

1. Audit Timing

I. General Audit Matters

		FY 2016	FY 2015
a	Engagement letter issued and signed	June 5, 2017	June 14, 2016
b	Audit fieldwork started	July 2017	September 2016
c	Draft issuance of financial statements	November 9, 2017	November 7, 2016
d	Issuance of signed financial statements	November 14, 2017	November 14, 2016
e	Presentation to the Audit Committee	December 6, 2017	December 7, 2016

2. Auditors' Responsibility

Our responsibility as the independent auditors is to express an opinion on T.E.A.L.'s financial statements as of and for the year ended December 31, 2016 based on our audit. Also, it must be emphasized that our audit does not relieve management, and those charged with governance of their responsibilities.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America ("U. S. GAAS") and was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. Our audit included tests of the accounting records of T.E.A.L. and other procedures we considered necessary to enable us to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Based on our audit, we have issued an **unmodified opinion** on the financial statements.

3. Management's Responsibility

T.E.A.L.'s management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We have advised you about appropriate accounting principles and their application and have assisted in the preparation of your financial statements, but the responsibility for the financial statements remains with you.

The management of T.E.A.L. is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with U.S. GAAP.

In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting T.E.A.L. involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of their knowledge of any allegations of fraud or suspected fraud affecting T.E.A.L. received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that T.E.A.L. complies with applicable laws and regulations.

4. Selection, Application or Changes in Significant Accounting Principles

T.E.A.L. follows specific accounting principles for maintaining its net assets, contributions receivable, valuation of its investments and recognition of revenue, gains and contributions. The principles are discussed in detail in Note 2 to the financial statements. There were no changes in accounting principles or policies for the year ended December 31, 2016.

5. Significant Management Judgments and Accounting Estimates

The preparation of financial statements requires the use of accounting estimates, by which management uses its best judgment in the determination of certain amounts to be recorded in those statements. These amounts are calculated using all information available at the time and applying the knowledge and expertise of management. These amounts are subject to revisions as time passes and more information becomes available. Matters to note are as follows:

a) Allowance for Uncollectible Accounts

As of December 31, 2016, management determined that an allowance for uncollectible receivables (contributions and pledges) was not necessary. The determination is based on a combination of factors such as management's assessment of the aged basis of its contributors, creditworthiness of contributors and historical experience.

Our audit procedures are designed to determine whether management's estimate for uncollectible accounts receivable is reasonable. Based on our audit procedures, which included a review of subsequent collections, review of aging reports, analysis of accounts written off in prior years, as well as a discussion with management.

The details of contributions receivable as of December 31, 2016 and 2015, are as follows:

	As of December 31		
	2016	2015	Variance
Contributions and pledges receivable	$ 52,343	$ 80,102	$ (27,759)
Subsequent collections	$ 31,355	$ 30,000	
	60%	37%	

b) Functional Allocation of Expenses

The cost of providing the various programs and supporting services is summarized on a functional basis in T.E.A.L.'s statements of activities. Expenses that are specifically identified with program or supporting services were charged to that function while certain costs were allocated by management among the program and supporting services benefited based on management estimate. Based on our audit procedures for the year ended December 31, 2016 the allocation of expenses appears reasonable.

6. Significant Recorded and Proposed Audit Adjustments

We are required to inform the Audit Committee about adjustments or misstatements arising from the audit that could, in our judgment, either individually, or in the aggregate, have a significant effect on T.E.A.L. financial reporting process. For the purpose of planning materiality, the determination was $14,000. There were no adjustments booked as a result of the audit. In addition, there were no uncorrected misstatements due to non-materiality passed as part of the audit process.

7. Significant Issues Discussed, or Subject to Correspondence, with Management

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions were not held in connection with our retention as auditors.

8. Disagreements with Management and Audit Difficulties

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the audit. We received the full cooperation of management and staff throughout the process performing our audit procedures.

9. Fraud or Likely Illegal Acts/ Conflict of Interest Matters/ Other Governance Issues

Our audit procedures did not detect any such items. We advise all of our clients that there is always a risk that fraud or illegal acts may exist and not be detected by any audit firm in performing an audit.

We observed that T.E.A.L. has a formal conflict of interest policy and we observed that all the Board of Directors and senior management submitted disclosure statements related to their knowledge or lack thereof of any potential known conflicts of interest.

10. Internal Controls: Control and Significant Deficiencies and Material Weaknesses

A *deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *deficiency in design* exists when a control necessary to meet the control objective is missing; or an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A *deficiency in operation* exists when a properly designed control does not operate as designed; or the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We did not observe any material weaknesses as a result of our audit procedures and issued a letter to this effect located at Tab 3. However, we made a recommendation, which if implemented, could further strengthen the internal controls and business practices of T.E.A.L. We communicated these matters in a separate memorandum, located at Tab 4.

11. Consultation with Other Accountants

We are not aware of any consultations with other accountants about auditing and accounting matters during the year ended December 31, 2016.

12. Auditor Independence

We affirm that Marks Paneth LLP is independent with respect to T.E.A.L. in accordance with the AICPA's *Code of Professional Conduct.*

13. Future Deliverables to be Issued, Other Services Performed and Other Matters

a) Future Deliverables and Other Services Performed

None

b) Other Matters

Contingencies: T.E.A.L.'s management and legal counsel have advised us that there are no pending legal matters of significance. Management has also represented to us that there are no litigation issues that would require adjustment to the financial statements or require additional disclosure in the notes to the financial statements.

14. Industry Updates and New Accounting and Auditing Matters on the Horizon

A) FASB Accounting Standards Update ("ASU") on Not-for-Profit Financial Reporting: Financial Statements

On August 18, 2016, the FASB issued ASU 2016-14 *Presentation of Financial Statements of Not-For-Profit Entities.* The changes are considered to be the most sweeping changes since 1993.

The main provisions of this ASU are as follows:

Methods of Presenting Operating Cash Flows

The ASU requires not-for-profit entities (NFPs) to either use the direct or indirect method of presenting operating cash flows. Further, the ASU no longer requires the indirect reconciliation if an NFP chooses to use the direct method.

The Net Asset Classification Presentation and Related Issues

1. Requirement of two classes of net assets:

   The ASU combines temporarily and permanently restricted net assets into *net assets with donor restrictions* and renames unrestricted net assets as *net assets without donor restrictions*. This ASU retains the current generally accepted accounting principles (GAAP) requirement to provide relevant information about the nature and amounts of donor restrictions on net assets (either on the face of the statement of financial position or in notes).

2. Disclosure of amounts and purposes of board-designated net assets:

   The ASU requires the disclosure of the amounts and purposes of board-designated net assets either on the face of the financial statement or in the notes.

3. Classification and disclosure of underwater endowments:

   a. The ASU requires that the aggregate amount by which endowment funds are underwater be classified within net assets with donor restrictions rather than the current unrestricted category.

b. The ASU requires that endowment funds that are underwater, if any, requires the disclosure of:

   I. The NFP's policy to either reduce expenditure or not spend from underwater endowment funds
   II. The aggregate fair value
   III. The aggregate original endowment gift amount or level required by donor stipulations or by law to be maintained
   IV. The aggregate of the amount of the deficiencies.

4. Requirement of placed-in-service approach and elimination of over-time approach for expirations of restrictions to acquire or construct long-lived assets:

   The ASU requires, in the absence of explicit donor instructions, the placed-in-service approach for expirations of restrictions to acquire or construct long-lived assets, thus eliminating the over-time approach.

Information Useful in Assessing Liquidity and Availability

The ASU requires qualitative information about how the NFP manages its liquidity and liquidity risks.
The Board approved the following two objectives:

I. The objective is to communicate qualitative information about how a NFP manages its liquid resources available to meet near-term cash needs for general expenditures and its exposure to liquidity risks within one year of the balance sheet date.

II. Qualitative information, either on the face of the balance sheet (or statement of financial position) or in the notes, and additional qualitative information in the notes as necessary, that communicates the availability of an NFP's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions internal limits imposed by governing board decisions.

Netting of External and Direct Internal Investment Expenses against Investment Return

NFPs now have to report investment return net of external and direct internal investment expenses and are no longer required to disclose those netted expenses.

Expenses by Nature and Analysis of Expenses by Function and Nature

NFPs are currently required to report expenses by function under paragraph 958-720-45-2 of the FASB *Accounting Standards Codification*. The ASU did not change these requirements. The ASU now requires all NFPs to disclose expenses by natural classification.

The ASU requires all NFPs to provide a disclosure of all expenses (other than netted investment expenses) in one location. The ASU allows NFPs the flexibility to provide this information either on the face of the statement of activities, in a separate statement (such as a statement of functional expenses), or in the notes.

Enhanced Disclosures about Cost Allocations

The ASU requires NFPs to provide enhanced disclosures about the method(s) used to allocate costs among program and support functions.

Effective Date

The ASU is effective for financial statements for fiscal years beginning after December 15, 2017, and for interim financial statements for periods after that date. In other words, calendar 2018 and fiscal 2019 year ends. The FASB Board decided that NFPs should apply the amendments on a retrospective basis for all years presented. They also decided to permit early adoption.

This ASU makes certain improvements that address many, but not all, of the identified issues about the current financial reporting of NFPs. A second phase of the project is expected to address more protracted issues surrounding whether and how to define the term *operations* and align measures of operations (or financial performance) as presented in a statement of activities with measures of operations in a statement of cash flows. That will allow the FASB Board to coordinate its Phase 2 considerations for NFPs with related research activities on financial performance reporting by business entities.

B) Revenue from Contracts with Customers (ASU 2014-09 and ASU 2015-14)

The objective is setting a single principles-based revenue standard, eliminating a major source of inconsistency in GAAP, i.e. disparate industry-specific revenue recognition guidance, which focuses on contracts with customers. The exceptions are lease contracts, insurance contracts, financial instruments, guarantees and certain nonmonetary exchanges.

The guidance in this Update supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of Codification including the guidance in Topic 958 Not for Profit Entities.

Contributions and collaborative arrangements, i.e. the parties to the contract share costs, risks and benefit, are not in the scope.
Government contracts (and other sponsored agreements) which are exchange transactions are contracts with customers. A customer is defined in Topic 606 as “a party that has contracted with an entity to obtain goods or services that are an output of the entity’s ordinary activities in exchange for consideration.”

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In achieving that core principle, the entity should apply the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize the revenue when (or as) the entity satisfies a performance obligation.

The ASU 2014-09 provides further guidance on costs to obtain or fulfill a contract with a customer; specifically related to incremental costs of obtaining a contract and costs to fulfill a contract.

Disclosures

An entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Qualitative and quantitative information is required about:

1. Contracts with customers – including revenue and impairments recognized, disaggregation of revenue, and information about contract balances and performance obligations (including the transaction price allocated to the remaining performance obligations)
2. Significant judgments and changes in judgments – determining the timing of satisfaction of performance obligations (over time or at a point in time), and determining the transaction price and amounts allocated to performance obligations.
3. Assets recognized from the costs to obtain or fulfill a contract.

Effective Date

ASU 2014-09 was superseded by ASU 2015-14 which deferred the effective date to years beginning after December 15, 2018. In other words, calendar 2019 and fiscal 2020 year ends.

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MARKS PANETH
ACCOUNTANTS & ADVISORS

November 14, 2017

To the Board of Directors of
T.E.A.L. Foundation

In planning and performing our audit of the financial statements of T.E.A.L. Foundation, ("T.E.A.L.") as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered T.E.A.L.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of T.E.A.L.'s s internal control. Accordingly, we do not express an opinion on the effectiveness of the T.E.A.L.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

As of the date of this letter, we did not identify any deficiencies in internal control that we consider to be material weaknesses. If matters do come to our attention during the period from this date to the audit report date, we will communicate them to you separately.

This communication is intended solely for the information and use of the Board of Directors, and management of the T.E.A.L. Foundation and is not intended to be and should not be used by anyone other than these specified parties, unless permission is granted.

Sincerely,

Marks Paneth LLP

MARKS PANETH LLP

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MARKS PANETH
ACCOUNTANTS & ADVISORS

Date: November 14, 2017

To: Audit File of T.E.A.L. Foundation (“T.E.A.L.”)

From: Marks Paneth LLP

Re: **Observations and Recommendations from the December 31, 2016 Audit**

We have issued a management letter under AU-C Section 265 indicating we did not observe any material weaknesses. Matters in this memo are as of the date above and represents other observation and recommendations that are either minor in nature or represent best practices.

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ACCOUNTING AND OPERATIONS

1. Trial Balance

Observation: While performing our audit procedures it was noted that T.E.A.L. utilizes QuickBooks and excel to maintain its general ledger with separate accounts for each allocated expense.

Recommendation: We recommend that while T.E.A.L. continues to update QuickBooks with historical financial information, they should begin using QuickBooks exclusively for current data (i.e. deposits, disbursements, and bank reconciliations, etc.).

Management's Response: We have been keeping up with quickbooks more regularly but still need to utilize excel for many of our needs. For example, we generate thank you letters from excel and not quickbooks. We are working towards having quickbooks currently up to date.

2. Donated Services

Observation: As a result of performing our audit procedures, it was noted that T.E.A.L. may not record an additional value for some services provided by employees and professionals at below fair value (i.e. lawyers and tax return preparation fees). *FASB ASC 958-605-25 Not-for-Profit Entities Revenue Recognition* requires the fair value of donated services to be recognized in the financial statements if certain requirements are met.

Recommendation: We recommend that the management of T.E.A.L. review all employee and professional services that are provided to T.E.A.L. to determine if the services provided meet the requirements for revenue recognition and record these donated services at fair value in the financial statements, if applicable.

Management's Response: We will continue to evaluate the value of services and adjust our books accordingly.

****END****

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Tell Every Amazing Lady

About Ovarian Cancer

T.E.A.L.

Louisa M. McGregor
Ovarian Cancer Foundation®

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Financial Statements
(Together with Independent Auditors' Report)

Years Ended December 31, 2016 and 2015

MARKS PANETH

ACCOUNTANTS & ADVISORS

T.E.A.L. FOUNDATION

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2016 AND 2015

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
T.E.A.L. Foundation:

We have audited the accompanying financial statements of T.E.A.L. Foundation ("T.E.A.L."), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 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 T.E.A.L. Foundation 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.

Marks Paneth LLP

New York, NY
November 14, 2017

Morison KSi
Independent member

T.E.A.L. FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current assets:		
Cash (Note 2M)	$ 417,663	$ 319,746
Contributions receivable (Note 2C)	52,343	80,102
Inventory (Note 2E)	6,869	6,697
Prepaid expenses	22,902	5,833
Total current assets	499,777	412,378
Property and equipment – net (Notes 2F and 3)	5,366	6,862
Total assets	$ 505,143	$ 419,240
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 24,130	$ 9,639
Deferred revenue (Note 2G)	-	40,000
Total current liabilites	24,130	49,639
Net assets unrestricted - (Note 2A)	481,013	369,601
Total liabilities and net assets	$ 505,143	$ 419,240

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

T.E.A.L. FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016 Total Unrestricted	2015 Total Unrestricted
PUBLIC SUPPORT AND REVENUE:		
Public support:		
Public contributions (Note 2K)	$ 126,080	$ 44,660
Special events revenue (Note 6)	338,571	386,462
City grant revenue	101,441	49,101
Donated materials and services	106,092	99,258
Total public support	672,184	579,481
Revenues (Note 2E):		
Net sales	10,435	6,636
Cost of goods sold	6,204	4,448
Gross profit	4,231	2,188
Interest and dividend income	140	1,140
TOTAL PUBLIC SUPPORT AND REVENUE	676,555	582,809
EXPENSES:		
Program services:		
Research	101,258	101,944
Public information	339,387	287,171
Total program services	440,645	389,115
Supporting services (Note 4):		
Management and general	76,073	77,858
Fundraising	48,425	27,410
Total Supporting Services	124,498	105,268
TOTAL EXPENSES	565,143	494,383
INCREASE IN NET ASSETS	111,412	88,426
NET ASSETS – BEGINNING OF YEAR	369,601	281,175
NET ASSETS – END OF YEAR	$ 481,013	$ 369,601

T.E.A.L. FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fundraising	Direct Benefit to Donors	Total	Total 2016
Compensation and related expenses:								
Salaries and wages	$ 5,726	$ 111,083	$ 116,809	$ 22,962	$ 12,304	$ -	$ 35,266	$ 152,075
Payroll taxes	465	9,020	9,485	1,990	999	-	2,989	12,474
Employee benefits	494	10,782	11,276	1,702	1,047	-	2,749	14,025
Total compensation and related expenses	6,685	130,885	137,570	26,654	14,350	-	41,004	178,574
Research grants:								
Grants awarded	90,000	-	90,000	-	-	-	-	90,000
Occupancy:								
Property and casualty insurance	290	3,800	4,090	1,152	330	-	1,482	5,572
Telephone	194	2,391	2,585	932	210	-	1,142	3,727
Licenses and fees	641	12,120	12,761	25	10,968	-	10,993	23,754
Professional fees:								
Legal and accounting	-	-	-	14,299	3,971	-	18,270	18,270
Outside services	175	11,006	11,181	-	7,194	-	7,194	18,375
Administration:								
Mailing, printing, and postage	175	7,430	7,605	119	887	-	1,006	8,611
Office and miscellaneous	2,841	48,830	51,671	14,087	9,508	-	23,595	75,266
Equipment rental	144	4,407	4,551	-	387	-	387	4,938
Bank charges	-	40	40	12	-	-	12	52
Meals and entertainment	4	824	828	-	7	-	7	835
Travel	89	1,455	1,544	-	132	-	132	1,676
Advertising and public relations	20	25,107	25,127	-	481	-	481	25,608
Total expenses before amortization and donated materials and services	101,258	248,295	349,553	57,280	48,425	-	105,705	455,258
Amortization	-	-	-	3,793	-	-	3,793	3,793
Donated materials and services	-	91,092	91,092	15,000	-	-	15,000	106,092
Total expenses	101,258	339,387	440,645	76,073	48,425	-	124,498	565,143
Total expenses included in the expenses section of the statements of activities	$ 101,258	$ 339,387	$ 440,645	$ 76,073	$ 48,425	$ -	$ 124,498	$ 565,143

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

T.E.A.L. FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services			Supporting Services				
	Research	Public Information	Total	Management and General	Fundraising	Direct Benefit to Donors	Total	Total 2015
Compensation and related expenses:								
Salaries and wages	$ 3,108	$ 82,711	$ 85,819	$ 20,679	$ 2,477	$ -	$ 23,156	$ 108,975
Payroll taxes	261	6,952	7,213	1,679	209	-	1,888	9,101
Employee benefits	-	13,623	13,623	3,740	-	-	3,740	17,363
Total compensation and related expenses	3,369	103,286	106,655	26,098	2,686	-	28,784	135,439
Research grants:								
Grants awarded	98,500	1,500	100,000	-	35	-	35	100,035
Occupancy:								
Property and casualty insurance	-	1,033	1,033	317	27	-	344	1,377
Telephone	75	1,682	1,757	628	126	-	754	2,511
Licenses and fees	-	17,969	17,969	675	13,423	-	14,098	32,067
Professional fees:								
Legal and accounting	-	2,587	2,587	32,638	7,884	-	40,522	43,109
Consulting and computer support	-	-	-	-		-	-	-
Outside services	-	-	-	-	185	-	185	185
Administration:								
Mailing, printing, and postage	-	6,005	6,005	109	1,133	-	1,242	7,247
Office and miscellaneous	-	38,705	38,705	14,168	1,539	-	15,707	54,412
Equipment rental	-	6,464	6,464	259	293	-	552	7,016
Bank charges	-	252	252	-	-	-	-	252
Meals and entertainment	-	60	60	-	-	-	-	60
Travel	-	1,685	1,685	-	-	-	-	1,685
Advertising and public relations	-	10,870	10,870	-	79	-	79	10,949
Total expenses before amortization and donated materials and services	101,944	192,098	294,042	74,892	27,410	-	102,302	396,344
Amortization	-	-	-	2,966	-	-	2,966	2,966
Donated materials and services	-	95,073	95,073	-	-	-	-	95,073
Total expenses	101,944	287,171	389,115	77,858	27,410	-	105,268	494,383
Total expenses included in the expenses section of the statements of activities	$ 101,944	$ 287,171	$ 389,115	$ 77,858	$ 27,410	$ -	$ 105,268	$ 494,383

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

T.E.A.L. FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Increase in net assets	$ 111,412	$ 88,426
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Amortization	3,793	2,966
Noncash contribution of leasehold improvement	-	(4,185)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Prepaid expenses	(17,069)	(3,025)
Contributions receivable	27,759	(80,102)
Inventory	(172)	(2,892)
(Decrease) Increase in liabilities:		
Accounts payable and accrued expenses	14,491	(946)
Deferred revenue	(40,000)	40,000
Net cash provided by operating activities	100,214	40,242
Cash flows from investing activities:		
Purchases of property and equipment	(2,297)	-
Net cash used in investing activities	(2,297)	-
Net increase in cash	97,917	40,242
Cash – beginning of year	319,746	279,504
Cash – end of year	$ 417,663	$ 319,746

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

T.E.A.L. Foundation (the "Foundation") is a not-for-profit entity, organized in the State of New York in April 2009, to hold and sponsor events to raise awareness of the early symptoms of ovarian cancer and to promote early detection and education of the signs, symptoms and risk factors of ovarian cancer, while providing support to survivors and raising funds in order to find the cure for ovarian cancer.

The Foundation awards grants to research foundations in the U.S. Proposals are brought to the Foundation's Board of Directors for approval. Grants are made by the Foundation based on the Board of Directors' evaluations and the amount of funding available to support the grant proposals. The Foundation has always had more proposals worthy of funding than funds available. Although it is not the intention of the Foundation to award grants that will extend over multiple years, each multi-year grant is subject to an annual review and re-approval by the Board of Directors. Accordingly, only the amount of grants awarded or approved in the current year is reported as an expense in the accompanying financial statements. The Foundation also publishes information that encourages an understanding of all aspects of early detection of ovarian cancer, its treatments and the research that is ongoing in the U.S. and across the globe to stem the spread and devastation of the disease.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Financial Presentation - The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. As of December 31, 2016 and 2015, all of the assets of the Foundation are unrestricted.

B. Use of Estimates - The preparation of financial statements in conformity with the accrual basis of accounting 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 reporting period. Actual results could differ from these estimates.

C. Contributions Receivable - Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

D. Allowance for Uncollectible Receivables - As of December 31, 2016 and 2015, T.E.A.L. determined that an allowance for doubtful accounts and uncollectible pledges was not necessary. Such estimates are based on management's judgment of the creditworthiness of its donors and grantors, historical experience and periodic review of the receivable status.

E. Inventory - Inventory consists of promotional clothing and merchandise purchased for resale and is stated at lower of cost, on a first-in, first-out basis, or market.

F. Property and Equipment - Property and equipment are stated at cost. Amortization is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Deferred Revenue - Deferred revenue represents funds pledged or received from third parties for a subsequent year. The revenue will be recognized in the year it is earned.

H. Donated Assets - Donated materials, including event supplies and other noncash donations are recorded as contributions at their fair values at the date of donation. For the years ended December 31, 2016 and 2015, the Foundation received approximately $76,000 and $95,000, respectively, in donated materials and property.

I. Donated Services - The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific assistance programs, and various committee assignments. The Foundation recognizes contributions of services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated professional services as part of a general and administrative expense are recorded as in-kind contributions in the accompanying financial statements at their fair value on date of use or receipt to the extent that such amounts can be reasonably estimated. For the years ended December 31, 2016 and 2015, the Foundation received $30,000 and $0, respectively, in supporting management and general services.

J. Functional Allocation of Expenses - The costs of program and supporting services have been summarized on a functional basis in the statements of functional expenses. Certain indirect costs have been allocated by management between program and supporting services based on a percentage of direct program expenses.

K. Contributions - T.E.A.L. Foundation reports contributions of cash and other assets as 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 to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Foundation has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

   Unrestricted contributions are recognized as revenues in the period received.

L. Income Taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, did not conduct any unrelated business activities, and is classified by the Internal Revenue Service as other than a private foundation.

   GAAP clarifies the accounting for uncertainty in income taxes recognized in a foundation's financial statements by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The Foundation has determined that it has no uncertain tax positions that require either recognition or disclosure in the financial statements.

M. Credit Risk - The Foundation maintains cash balances at a financial institution located in New York. The bank balances, at times, may exceed federally insured limits. As of December 31, 2016 and 2015, the balances held exceeded FDIC limits by approximately $55,000 and $0, respectively. However, the Foundation has not experienced any losses to date on such accounts.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015, consist of the following:

	Estimated Useful Life	2016	2015
Leasehold improvement	4 years	$ 4,185	$ 4,185
Software	3 Years	12,057	9,781
		16,242	13,966
Less accumulated amortization		(10,876)	(7,104)
		$ 5,366	$ 6,862

Amortization expense amounted to $3,793 and $2,966 for the years ended December 31, 2016 **and 2015**, respectively.

NOTE 4 – DESCRIPTION OF SUPPORTING SERVICES

Management and General

Management and general includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Foundation's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Foundation, and manage the financial and budgetary responsibilities of the Foundation.

Management and general expenses accounted for 13% and 16% of total expenses for the years ended December 31, 2016 and 2015, respectively.

Fundraising

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations. For the years ended December 31, 2016 and 2015, fundraising activities represented 9% and 6% of the Foundation's total expenses, respectively.

NOTE 5 – ADVERTISING

The Foundation uses advertising and public relations services to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. For the years ended December 31, 2016 and 2015, advertising and public relations costs totaled $25,607 and $10,949, or 5% and 2%, respectively, of total expenses.

NOTE 6 – SPECIAL EVENTS

The Foundation conducts special events during the course of the year, including sporting events and others intended to further the mission of the Foundation. If certain criteria related to the purpose, audience and content of the event are met, costs incurred jointly to support the program or management and general functions, and the fund-raising functions of the event, are allocated to the appropriate functional categories in the statements of functional expenses. If the criteria related to the purpose, audience and content of the event are not met, all costs of the event are considered program service expenses. In all cases, the cost of goods or services provided in an exchange transaction that is part of the joint activity, such as costs of direct donor benefits of a special event (e.g., a ticket or meal) is not reported as program service costs but rather as a net reduction of special event income in the statements of activities. For the years ended December 31, 2016 and 2015, all special event expenses, except for the cost of direct benefit to donors, were attributable to program services.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

In May 2015, the Foundation entered into a four-year lease agreement for office space located at 533 16th Street, Brooklyn, New York. The lease commenced June 1, 2015. The lease requires monthly payments of $2,300 for the first two years and monthly payments of $2,400 in the third and fourth year. In June 2017, T.E.A.L. entered into another lease for additional office space located at 535 16th Street, Brooklyn, New York through May 31, 2019. The additional space requires monthly lease payments of $1,200 over the term of the lease. The following is a schedule of the future annual lease payments for the years ending after December 31, 2016:

Years Ending December 31,	Amount
2017	$ 36,700
2018	43,200
2019	18,000
	$ 97,900

Rent expense amounted to approximately $32,069 and $16,100 for the years ended December 31, 2016 and 2015, respectively.

NOTE 8 – CONCENTRATIONS

One donor accounted for 100% of the contributions receivable for the year ended December 31, 2016 and two donors accounted for the 100% of the contributions receivable at December 31, 2015.

For the year ended December 31, 2016, one donor accounted for 15% of total revenue.

NOTE 9 – SUBSEQUENT EVENTS

The Foundation has evaluated its subsequent events through November 14, 2017, the date that the accompanying financial statements were available to be issued.

TAB 6

T.E.A.L. Foundation

Comparative Benchmarking of Selective Financial Indicators

	Average Excluding T.E.A.L. Foundation	T.E.A.L. Foundation December 31, 2016	Children's Tumor Foundation December 31, 2016	Seleni House Foundation December 31, 2015	Tourette Syndrome Association February 29, 2016	Gilda's Club December 31, 2016	Exploring The Arts Inc. December 31, 2016	NOTES
Assets	$ 6,254,084	$ 505,143	$ 13,804,313	$ 262,325	$ 12,138,097	$ 3,595,224	$ 1,470,460	
Liabilities	1,139,353	24,130	2,339,491	125,946	1,148,052	2,040,598	42,679	
Net Assets	5,114,731	481,013	11,464,822	136,379	10,990,045	1,554,626	1,427,781	
Debt/Equity Ratio	0.22	0.05	0.20	0.92	0.10	1.31	0.03	1
Cash and Equivalents	1,421,182	417,663	5,848,486	228,963	505,031	250	523,180	
WORKING CAPITAL								
Current Assets	$ 4,270,204	$ 499,777	$ 7,141,809	$ 262,325	$ 12,138,097	$ 338,330	$ 1,470,460	
Current Liabilities	762,071	24,130	2,339,491	125,946	1,148,052	154,188	42,679	
Working Capital	3,508,133	475,647	4,802,318	136,379	10,990,045	184,142	1,427,781	
Current Ratio	5.60	20.71	3.05	2.08	10.57	2.19	34.45	2
STATEMENT OF ACTIVITIES								
Revenue	$ 5,361,112	$ 676,555	$ 15,622,801	$ 2,298,971	$ 2,967,592	$ 2,483,405	$ 3,432,789	
Expenses	5,681,547	565,143	14,778,000	2,449,710	6,978,168	2,234,132	1,967,724	
Change in net assets	(320,435)	111,412	844,801	(150,739)	(4,010,576)	249,273	1,465,065	
Contributions	5,198,785	126,080	15,471,546	2,113,686	2,542,934	2,469,634	3,396,123	
Government Support	144,136	101,441	-	-	694,108	11,572	15,000	
Accounting Fees	30,014	18,270	28,845	21,000	33,000	35,727	31,500	
Salaries	1,705,774	152,075	3,775,748	505,347	2,532,980	1,226,476	488,319	
Fringe Benefits/Payroll Tax	363,466	26,499	838,808	113,089	564,113	216,073	85,247	
Personnel to Total Expenses	30.02%	26.91%	25.55%	20.63%	36.30%	54.90%	24.82%	3
Fringe Benefit Ratio	21.31%	17.42%	22.22%	22.38%	22.27%	17.62%	17.46%	4
Program Expenses	4,345,505	440,645	11,920,152	1,998,485	4,625,240	1,803,137	1,380,509	
Program Expenses Ratio	76.48%	77.97%	80.66%	81.58%	66.28%	80.71%	70.16%	5
Management and General Expenses	646,569	76,073	995,223	373,432	1,455,496	135,723	272,972	
Administrative Expenses Ratio	11.38%	13.46%	6.73%	15.24%	20.86%	6.07%	13.87%	6
Fundraising Expenses	689,473	48,425	1,862,625	77,793	897,432	295,272	314,243	
Fundraising Expense Ratio	12.14%	8.57%	12.60%	3.18%	12.86%	13.22%	15.97%	7
Related Contributions	5,198,785	126,080	15,471,546	2,113,686	2,542,934	2,469,634	3,396,123	
Fundraising Efficiency	$ 0.13	$ 0.38	$ 0.12	$ 0.04	$ 0.35	$ 0.12	$ 0.09	8

NOTES AND COMMENTS - The above information was obtained from T.E.A.L. Foundation's audited financial statements and or Form 990

1 **Debt/Equity Ratio** - The ratio of total liabilities to net assets. The lower the ratio the better.
2 **Current Ratio** - The ratio of current assets to current liabilities.
3 **Personnel to Total Expenses**: Salary as percent to total expense.
4 **Fringe Benefit Ratio** - the ratio of fringe benefits to salaries.
5 **Program Expense Ratio -** The ratio of program expenses to total expenses should be at least 67% according to Charity Navigator.
6 **Administrative Expense Ratio -** The ratio of administration expenses as a percentage of total expenses. The lower the ratio the better.
7 **Fundraising Expense Ratio -** The ratio of total fundraising expenses to total expenses. The lower the ratio the better.
8 **Fundraising Efficiency -** The amount spent to raise $1.