

NATIONAL OVARIAN CANCER COALITION, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2019
(WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018)

NATIONAL OVARIAN CANCER COALITION, INC.
TABLE OF CONTENTS
DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
(With Summarized Comparative Totals as of December 31, 2018)	
Statement of Activities and Changes in Net Assets	4
(With Summarized Comparative Totals for the Year Ended December 31, 2018)	
Statement of Functional Expenses	5
(With Summarized Comparative Totals for the Year Ended December 31, 2018)	
Statement of Cash Flows	6
(With Summarized Comparative Totals for the Year Ended December 31, 2018)	
NOTES TO FINANCIAL STATEMENTS.....	7-21



INDEPENDENT AUDITORS' REPORT

To the Board Directors
of National Ovarian Cancer Coalition, Inc.

We have audited the accompanying financial statements of National Ovarian Cancer Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, 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.

Auditors' 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 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 auditors' 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 National Ovarian Cancer Coalition, Inc. as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited National Ovarian Cancer Coalition, Inc.'s 2018 financial statements, and our report dated November 14, 2019, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Salmon Sims Thomas".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

January 6, 2021

NATIONAL OVARIAN CANCER COALITION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(With Summarized Comparative Totals as of December 31, 2018)

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 2,254,151	\$ 1,520,815
Contributions receivable	-	55,455
Inventory	54,900	53,440
Prepaid expenses	51,747	30,366
Total Current Assets	2,360,798	1,660,076
Property and Equipment		
Furniture, fixtures, and equipment	35,228	35,228
Less accumulated depreciation and amortization	(31,261)	(27,916)
Net Property and Equipment	3,967	7,312
Other Assets		
Beneficial interests in assets held by others	1,093,791	971,087
Rent and security deposits	10,594	15,199
Total Other Assets	1,104,385	986,286
 TOTAL ASSETS	 \$ 3,469,150	 \$ 2,653,674

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 27,617	\$ 18,073
Accrued salaries and wages	74,219	64,377
Accrued vacation	67,745	64,814
Deferred rent	5,058	-
Deferred revenue	224,664	5,224
Total Current Liabilities	399,303	152,488
Long-term Liabilities		
Deferred rent	41,396	-
Net Assets		
Without donor restrictions	2,963,451	2,451,186
With donor restrictions	65,000	50,000
Total Net Assets	3,028,451	2,501,186
 TOTAL LIABILITIES AND NET ASSETS	 \$ 3,469,150	 \$ 2,653,674

The accompanying notes are an integral part of this financial statement.

NATIONAL OVARIAN CANCER COALITION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Support				
Awareness events (includes in-kind contributions of \$9,149 in 2019 and \$8,863 in 2018)	\$ 2,557,528	\$ 84,385	\$ 2,641,913	\$ 2,675,708
Less: cost of direct benefits to participants	(102,895)	-	(102,895)	(81,412)
Individual contributions	777,358	-	777,358	678,504
Corporation contributions	75,697	-	75,697	270,154
Conference revenue	-	-	-	239,427
Special events	226,618	-	226,618	113,077
Less: cost of direct benefits to participants	(19,081)	-	(19,081)	(34,461)
Outside fundraisers	269,216	-	269,216	178,838
Change in value of beneficial interests held by others	122,704	-	122,704	(142,788)
Investment income	628	-	628	191
	<u>3,907,773</u>	<u>84,385</u>	<u>3,992,158</u>	<u>3,897,238</u>
Net assets released from restriction	69,385	(69,385)	-	-
Total Revenues and Support	<u>3,977,158</u>	<u>15,000</u>	<u>3,992,158</u>	<u>3,897,238</u>
Expenses				
Program services	2,728,190	-	2,728,190	2,634,348
Supporting activities	736,703	-	736,703	744,336
Total Expenses	<u>3,464,893</u>	<u>-</u>	<u>3,464,893</u>	<u>3,378,684</u>
Changes in Net Assets	512,265	15,000	527,265	518,554
Net Assets, beginning of year	<u>2,451,186</u>	<u>50,000</u>	<u>2,501,186</u>	<u>1,982,632</u>
Net Assets, end of year	<u>\$ 2,963,451</u>	<u>\$ 65,000</u>	<u>\$ 3,028,451</u>	<u>\$ 2,501,186</u>

The accompanying notes are an integral part of this financial statement.

NATIONAL OVARIAN CANCER COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

	Program Services			Supporting Activities		Total	2018
	Earlier Awareness	Quality of Life	Together in TEAL	Management and General	Fundraising		Total
Salaries and wages	\$ 250,449	\$ 135,052	\$ 638,949	\$ 169,830	\$ 126,186	\$ 1,320,466	\$ 1,343,057
Employee benefits	16,887	9,106	43,081	12,062	10,325	91,461	86,621
Payroll taxes	21,996	11,861	56,115	15,712	11,082	116,766	121,311
Rent and utilities	37,091	29,716	62,004	6,251	13,764	148,826	127,354
Independent contractors	43,444	32,075	195,990	25,771	8,438	305,718	285,843
Professional services	-	-	-	-	90,047	90,047	48,508
Website	85	46	216	5,102	103	5,552	10,793
Marketing and communications	-	-	-	5,063	-	5,063	6,188
Equipment and furniture	3,394	257	1,216	341	240	5,448	781
Office supplies and materials	18,964	4,340	20,533	6,244	6,714	56,795	76,755
Postage and shipping	13,934	18,857	19,386	2,960	1,031	56,168	79,511
Printing and copying	11,864	45,699	47,226	2,007	20	106,816	56,351
Telecommunications	21,048	2,116	10,011	2,803	1,977	37,955	35,608
Events related expenses	97,266	62,815	242,901	27,601	619	431,202	279,338
Travel expenses	49,134	34,359	32,542	2,105	1,215	119,355	160,547
Software and subscriptions	18,899	9,316	44,083	18,821	15,444	106,563	108,430
Licenses and permits	10	5	25	14,279	5	14,324	11,440
Insurance	1,304	2,417	6,167	1,728	15,050	26,666	31,011
Research and sponsored projects	-	294,790	-	-	-	294,790	281,250
Charges, dues and fees	-	-	-	-	112,418	112,418	208,548
Tote bag distribution	-	-	-	-	-	-	5,887
Depreciation expenses	-	-	-	-	3,345	3,345	4,689
In-kind expenses	-	-	9,149	-	-	9,149	8,863
	<u>\$ 605,769</u>	<u>\$ 692,827</u>	<u>\$ 1,429,594</u>	<u>\$ 318,680</u>	<u>\$ 418,023</u>	<u>\$ 3,464,893</u>	<u>\$ 3,378,684</u>

The accompanying notes are an integral part of this financial statement.

NATIONAL OVARIAN CANCER COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

	2019	2018
Cash Flows From Operating Activities		
Changes in Net Assets	\$ 527,265	\$ 518,554
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	3,345	4,689
Change in value of beneficial interests in assets held by others	(122,704)	142,788
Changes in operating assets and liabilities		
Contributions receivable	55,455	(35,161)
Inventory	(1,460)	5,887
Deposits	4,605	(1,567)
Prepaid expenses	(21,381)	440
Accounts payable	9,544	(251,802)
Accrued salaries and wages	9,842	(1,210)
Accrued vacation	2,931	8,355
Deferred rent	46,454	-
Deferred revenue	219,440	(1,464)
Net Cash Provided by Operating Activities	733,336	389,509
Cash Flows From Investing Activities		
Purchase of equipment	-	(2,032)
Net Cash Used by Investing Activities	-	(2,032)
Net Increase in Cash	733,336	387,477
Cash, and cash equivalents, beginning of year	1,520,815	1,133,338
Cash, and cash equivalents, end of year	\$ 2,254,151	\$ 1,520,815

The accompanying notes are an integral part of this financial statement.

NATIONAL OVARIAN CANCER COALITION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 1: ORGANIZATION

National Ovarian Cancer Coalition, Inc. (NOCC) is a nonprofit public benefit corporation. NOCC's mission is to promote education and awareness about ovarian cancer. NOCC is committed to improving the survival rate and quality of life for women with ovarian cancer. NOCC currently provides program services nationwide. It is funded through contributions from the public and private sectors.

Program Structure

Programs and services that promote NOCC's mission consist of the following core areas:

- Take Early Action and Live (TEAL[®]) (formerly Awareness and Education)[®]
 - Program purpose is to promote education and prevent ovarian cancer
- Together in TEAL[®] (formerly Run/Walk to Break the Silence on Ovarian Cancer)
 - Program purpose is to raise awareness about ovarian cancer
- Faces of Hope[®] (formerly Survivorship)
 - Program purpose is survivorship, quality of life, and research

Programs and services are aimed at NOCC's identified target audiences:

- General public
- Survivors
- Caregivers
- Loved ones
- Healthcare/Corporate

Take Early Action and Live (TEAL[®]) Initiative

NOCC's education and awareness programs urging people to Take Early Action and Live (TEAL[®]). Signature Programs are Health Fairs, Speaker's Bureau, September Awareness, Third-Party Community Fundraising Events, and Chapter Activities as well as the production and distribution of educational literature about ovarian cancer, treatment, and quality of life issues.

Together in TEAL[®] - Ending Ovarian Cancer (formerly Run/Walk to Break the Silence on Ovarian Cancer)[®]

NOCC's signature event raises awareness of ovarian cancer, honors survivors, and pays tribute to those lost to the disease. NOCC's Together in TEAL[®] – Ending Ovarian Cancer encompass all parts of its mission and support its nationwide and local activities.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 1: ORGANIZATION (CONTINUED)

Faces of Hope[®]

NOCC's survivorship and quality of life program provides current information, hope, and support to women with ovarian cancer, their families and loved ones. The signature program is TEAL[®] Totes/Packets. Chapters receive a list of American College of Surgeons (ACoS) and National Cancer Institute (NCI) accredited facilities within a 50-mile radius of their location based on each facility's annual ovarian cancer caseload. Each Chapter works closely with the Faces of Hope[®] Coordinator to build and/or strengthen the relationship with local facilities and arrange for them to distribute the TEAL[®] Totes/Packets to their newly diagnosed ovarian cancer patients. The Faces of Hope[®] Coordinator works directly with facilities where there is not a current chapter.

Research in Action Initiativesm

NOCC has affirmed its commitment to funding research with the Research in Action Initiative Alliancesm. In collaboration with Stand Up To Cancer, Ovarian Cancer National Alliance and Ovarian Cancer Resource Fund, NOCC is committed to supporting the new Ovarian Cancer Dream Team, and the promise of leading- edge, ovarian cancer research.

Notable activities during the year ended December 31, 2019 were (Unaudited):

Take Early Action and Live (TEAL[®])

- 191 Health fairs
- 92 Speaker's bureau presentations
- 40 Other community events
- 65,273 pieces of literature and awareness items distributed around the country

Together in TEAL[®] - Ending Ovarian Cancer

- 15 run/walks raised awareness
- 838 survivors were honored
- 12,600 came Together in TEAL[®]- Ending Ovarian Cancer
- 785 volunteers supported the cause
- 1,300 teams fought for the cause

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 1: ORGANIZATION (CONTINUED)

Faces of Hope®

- 140 volunteer events/chapter meetings
- 110 other community events
- 448 TEAL® totes were provided to women newly diagnosed with ovarian cancer
- 600 TEAL® totes distributed to accredited facilities serving women newly diagnosed with ovarian cancer

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of NOCC's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) and have been consistently applied in the preparation of the financial statements.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with NOCC's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation, and the allocations of functional expenses. Actual results could differ from those estimates.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of NOCC and/or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value on the date of donation.

Cash and Cash Equivalents

NOCC considers all highly liquid instruments, including certificates of deposit with an original maturity of ninety days or less, to be cash equivalents. NOCC places cash which, at times, may exceed federally insured limits with high-credit quality financial institutions. NOCC has not experienced any losses on such assets.

Donated Assets and Services

Donated equipment and other donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and for which NOCC would have paid if not donated, are recorded at the estimated fair value at the time the services are rendered. NOCC also receives donated services that do not require specific expertise, but which are nonetheless central to NOCC's operations.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Rent

NOCC has entered into operating lease agreements containing provisions for rent abatement and future rent increases. In accordance with U.S. GAAP, NOCC records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent.

Tote Bag Inventory

Inventory consists of donated tote bags received in a prior year but not distributed as of the year end. The donated tote bags are valued based on fair value at December 31, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date the equipment was donated. Major expenditures and those which substantially increase useful lives of the assets are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are included in the statement of activities and changes in net assets when incurred. When property and equipment is sold or otherwise disposed of, the asset is removed, and any gain or loss is included in the statement of activities and changes in net assets.

Depreciation has been calculated using the straight-line method based on the estimated useful lives of the assets as follows:

Furniture, fixtures, and equipment	3-10 years
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Income Taxes

NOCC is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501 (c)(3) of the IRC. NOCC has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to NOCC qualify for deductions as charitable contributions. However, income generated from activities unrelated to NOCC's exempt purpose is subject to tax under IRC Section 511.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities and changes in net assets or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Accrued Vacation

NOCC's employees are entitled to paid vacation depending upon the length of service. Accrued vacation represents vacation earned, but not taken. The accrued vacation balance as of December 31, 2019 and 2018 was \$67,745 and \$64,814, respectively.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the 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).

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data such as benchmark interest rates and yield curves and/or securities indices.

Level 3 – Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2019 and 2018.

Beneficial interests in assets held by others: Fair value of the beneficial interests held by others is based on NOCC's percent interest in the trust assets (see Note 5) held by a trustee.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although NOCC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of Topic 820 did not have an impact on NOCC's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Unconditional Promises to Give

Contributions are recognized when a donor makes a promise to give to NOCC that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unconditional Promises to Give (Continued)

Unconditional promises to give that are due more than one year beyond the statement of financial position date are discounted to a net present value using an estimated discount factor for risk-free borrowing.

Contributions receivable are considered past due when payments are not made under the terms of the contribution agreement. There were no past due contributions receivable at December 31, 2019 and 2018 and no provision was made for uncollectible receivables as of those dates. Contributions receivable are considered uncollectible and written off as uncollectible when the donor withdraws the contribution commitment or fails to provide a reasonable revised schedule of contributions.

Advertising

NOCC's policy is to expense marketing and advertising as the costs are incurred. Marketing and advertising expenses for the years ended December 31, 2019 and 2018 totaled \$5,063 and \$6,188, respectively.

Recent Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, *Restricted Cash*, as an update to ASC 230, *Statement of Cash Flows*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance was effective for annual periods beginning after December 15, 2018 and interim periods within those fiscal years. The new guidance should be applied on a retrospective basis. The updated guidance results in a change in the statement of cash flows to include restricted cash and restricted cash equivalents. NOCC adopted this update in 2019 and had no restricted cash or restricted cash equivalents at December 31, 2019 and 2018.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of 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. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as an update to ASC 958, *Not-for-Profit Entities* and to ASU 2014-09. The guidance provides a framework for evaluating whether grants should be accounted for as exchange transactions or as nonexchange transactions. For nonexchange transactions, the new guidance clarifies the contribution accounting model's guidance regarding whether arrangements are conditional or unconditional. The ASU applies to all entities that make or receive contributions but is primarily related to grants.

ASU 2018-08 and ASU 2014-09 were effective for annual periods beginning after December 15, 2018. NOCC adopted these updates in 2019. NOCC received sponsorship contributions based on their mission programs and donations from the public, and they did not earn revenue through providing services. NOCC also determined there were no conditional contributions received in 2019.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The new standard requires lessees to recognize a right-of-use (ROU) asset and a related lease liability for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The new standard is effective for private entities for annual periods beginning after December 15, 2021. NOCC is currently assessing the impact on its statement of financial position but expects that the guidance will not result in significant changes to the results of operations. NOCC will adopt this update in 2022.

Allocations of Functional Expenses

The financial statements report certain categories of expenses that are attributable to either program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area. The expenses that are allocated include salary and wages, payroll taxes, events related expenses, and independent contractors' services, along with other program expenses. All other natural expense categories using the key concept of direct conduct or direct supervision are 100% charged to the benefiting program or support service.

Date of Management's Review

NOCC has evaluated subsequent events through January 6, 2021, the date the financial statements were available to be issued. See Note 11.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
 (With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment at consisted of the following at December 31:

	2019	2018
Furniture, fixtures, and equipment	\$ 35,228	\$ 35,228
Accumulated depreciation	(31,261)	(27,916)
	\$ 3,967	\$ 7,312

NOTE 4: BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

NOCC is the beneficiary of two trusts. The trust assets in one trust have been segregated into separate accounts for each beneficiary of the trust. Therefore, NOCC's interest in this trust account is 100% and is valued based on statements provided by the trustee. At December 31, 2019 and 2018 the trust assets consisted of money market accounts and mutual funds. At December 31, 2019 and 2018, the interest in this trust was valued at:

	2019	2018
Beneficial interests in assets held by others	\$ 1,093,791	\$ 971,087

Distributions from this trust for the years ended December 31, 2019 and 2018 were \$58,297 and \$62,262, respectively, and are included with individual contributions in the accompanying statement of activities and changes in net assets. The changes in value of this beneficial interest for the years ended December 31, 2019 and 2018 were \$122,704 and \$(142,788), respectively, and are included in the accompanying statement of activities and changes in net assets.

NOCC's interest in the second trust is that of a secondary income beneficiary. Once all trust expenses are paid, trust income is distributed to primary beneficiaries in prescribed dollar amounts. The secondary beneficiaries are then given a prescribed percentage of the remaining income. Due to the nature of this trust, NOCC's interest in this trust is not able to be estimated. Distributions from this trust for the years ended December 31, 2019 and 2018 were \$19,269 and \$25,766, respectively, and are included in the accompanying statement of activities and changes in net assets with individual donations.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth by level, within the fair value hierarchy, NOCC's assets at fair value as of December 31:

	<u>Year</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interests in	2019	\$ 1,093,791	\$ 1,093,791	-	-
assets held by others	2018	\$ 971,087	\$ 971,087	-	-

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Research	\$ 65,000	\$ 15,000
Programs	-	35,000
	<u>\$ 65,000</u>	<u>\$ 50,000</u>

Net assets with donor restrictions were released from restriction as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Research	\$ 13,385	\$ 32,000
Programs	56,000	-
Conferences and webinars	-	56,500
	<u>\$ 69,385</u>	<u>\$ 88,500</u>

NATIONAL OVARIAN CANCER COALITION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 7: OPERATING LEASES

Headquarters - Dallas, Texas

On May 22, 2013, NOCC exercised an option to extend the lease for its headquarters to an additional term of five years with monthly rent ranging from \$4,605 in 2014 to \$4,841 in 2019. During 2018, with the Board approval, NOCC relocated its offices in Dallas, Texas to a new location and entered into a lease agreement effective from January 1, 2019 through July 31, 2029. The lease provides for seven-month rent abatement at the beginning of the term, and base rent beginning August 1, 2019 of \$5,582 to \$7,287 beginning August 1, 2028, plus electricity.

Regional Office - Chicago, Illinois

Effective February 1, 2012 and expiring in February 1, 2017, NOCC entered into a five-year office lease agreement at a rate of \$1,473 per month for the first year and an increase of 3% per year thereafter. This lease was extended on December 27, 2016 to be effective February 1, 2017 and expiring February 1, 2021 at a rate of \$1,503 per month for the first year and an increase of 2.5% per year thereafter.

Future minimum lease payments under the noncancelable leases are as follows:

For the years ending December 31,

2020	\$ 88,694
2021	93,210
2022	76,855
2023	77,056
2024	78,916
2025 and thereafter	385,279

Rental expense under these agreements for the years ended December 31, 2019 and 2018 was \$104,103 and \$86,146, respectively.

NOCC incurred additional rental expense for storage for the years ended December 31, 2019 and 2018 of \$37,578 and \$41,124, respectively.

NATIONAL OVARIAN CANCER COALITION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 8: OVARIAN CANCER DREAM TEAM FUNDING CONDITIONAL COMMITMENT

During the year ended December 31, 2014, NOCC entered into a conditional Memorandum of Understanding ("MOU") outlining a desire to jointly fund a dream team dedicated to ovarian cancer research ("Ovarian Cancer Dream Team"). The total funding level of the Ovarian Cancer Dream Team is anticipated to be \$6,000,000 over a four-year period. Organizations wishing to jointly fund the Ovarian Cancer Dream Team include NOCC (\$1,500,000), Ovarian Cancer National Alliance (\$1,500,000) and Ovarian Cancer Research Fund (\$3,000,000).

Payments to help fund the Ovarian Cancer Dream Team are contingent upon satisfactory progress and achievement of applicable milestones and deliverables of the Ovarian Cancer Dream Team. The MOU was amended in 2017 to only change the payment schedule. NOCC provided support to the Ovarian Cancer Dream Team in the amount of \$281,250 for each of the years ended December 31, 2019 and 2018. The MOU expired on December 31, 2019 and no remaining payments are due from NOCC.

NOTE 9: RETIREMENT PLAN

NOCC has a 401(k) retirement plan in which the employer matches employee contributions equal to 50% of the first 6% of eligible deferred compensation per pay period after three consecutive months of employment. Employer matching contributions are 100% vested immediately. Employees over age 18 are immediately eligible for the plan. Employer contributions to the employee accounts for the years ended December 31, 2019 and 2018 were \$24,609 and \$28,862, respectively.

NOTE 10: LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of NOCC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the operating accounts.

In addition, NOCC is supported, in part, by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, NOCC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

NATIONAL OVARIAN CANCER COALITION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Totals for the Year Ended December 31, 2018)

NOTE 10: LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The following reflects NOCC's financial assets, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2019	2018
Financial assets available at December 31	\$ 2,254,151	\$ 1,576,270
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(65,000)	(50,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,189,151</u>	<u>\$ 1,526,270</u>

NOTE 11: SUBSEQUENT EVENT

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred domestically in the United States and globally, including mandates from federal, state and local authorities, leading to an overall decline in economic activity. The ultimate impact of COVID-19 on the financial performance of NOCC cannot be reasonably estimated at this time.

NOCC has paused all in-person educational and awareness programs until further recommendations from the Centers for Disease Control and Prevention, but transitioned business operations and monthly survivor support meetings to a remote format.

In addition, NOCC received funding of \$260,204 in May 2020 under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Paycheck Protection Program (PPP) to provide payroll assistance.

In July 2020, NOCC also received a Small Business Administration Economic Injury Disaster Loan of \$150,000 at a fixed interest rate of 2.75% for 30 years. The loan is secured by certain property and equipment and requires monthly payment of interest and principal of \$641 beginning twelve months from the date of the note. Management believes the government assistance and ongoing contributions from the public will provide NOCC with its needed liquidity for the foreseeable future.