

NATIONAL OVARIAN CANCER COALITION, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2022 AND 2021

National Ovarian Cancer Coalition, Inc.
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December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of National Ovarian Cancer Coalition, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Ovarian Cancer Coalition, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Ovarian Cancer Coalition, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change of Accounting Principle

As discussed in Note 2 to the financial statements, National Ovarian Cancer Coalition, Inc. has changed its method of accounting for leases as of January 1, 2022, due to the adoption of Accounting Standards Update No. 2016-02, *Leases* (Topic 842).

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Ovarian Cancer Coalition, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Ovarian Cancer Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Ovarian Cancer Coalition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

November 30, 2023

National Ovarian Cancer Coalition, Inc.
Statements of Financial Position
December 31, 2022 and 2021

ASSETS

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 3,722,049	\$ 3,834,933
Contributions receivable	10,975	88,208
Inventory	49,075	51,775
Prepaid expenses	249,444	157,674
Total Current Assets	4,031,543	4,132,590
 Property and Equipment		
Furniture, fixtures, and equipment	58,465	50,111
Less accumulated depreciation and amortization	(43,155)	(40,893)
Net Property and Equipment	15,310	9,218
 Other Assets		
Beneficial interests in assets held by others	950,914	1,249,262
Operating lease right-of-use asset	457,459	-
Rent and security deposits	7,287	7,287
Total Other Assets	1,415,660	1,256,549
 TOTAL ASSETS	\$ 5,462,513	\$ 5,398,357

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 147,996	\$ 65,269
Accrued salaries and wages	37,004	32,807
Accrued vacation	88,278	89,865
Deferred rent, current portion	-	1,336
Accrued interest	10,675	6,188
Operating lease liability, current portion	69,150	-
Total Current Liabilities	353,103	195,465
 Long-term Liabilities		
Economic Injury Disaster Loan	150,000	150,000
Deferred rent, net of current portion	-	52,207
Operating lease liability, net of current portion	440,885	-
Total Long-term Liabilities	590,885	202,207
 Net Assets		
Without donor restrictions	3,737,475	4,325,509
With donor restrictions	781,050	675,176
Total Net Assets	4,518,525	5,000,685
 TOTAL LIABILITIES AND NET ASSETS	\$ 5,462,513	\$ 5,398,357

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

National Ovarian Cancer Coalition, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Awareness events	\$ 2,536,775	\$ 75,311	\$ 2,612,086
Individual contributions	141,470	-	141,470
Corporation contributions	739,190	860,000	1,599,190
Special events	12,065	-	12,065
Outside fundraisers	262,766	333	263,099
Change in value of beneficial interests held by others	(298,348)	-	(298,348)
Contributions of nonfinancial assets	137,845	-	137,845
Investment income	99	-	99
	<u>3,531,862</u>	<u>935,644</u>	<u>4,467,506</u>
Net assets released from restriction	829,770	(829,770)	-
Total Revenues and Support	<u>4,361,632</u>	<u>105,874</u>	<u>4,467,506</u>
Expenses			
Program services	3,972,635	-	3,972,635
Supporting activities	977,031	-	977,031
Total Expenses	<u>4,949,666</u>	<u>-</u>	<u>4,949,666</u>
Change in Net Assets	(588,034)	105,874	(482,160)
Net Assets, beginning of year	<u>4,325,509</u>	<u>675,176</u>	<u>5,000,685</u>
Net Assets, end of year	<u>\$ 3,737,475</u>	<u>\$ 781,050</u>	<u>\$ 4,518,525</u>

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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Awareness events	\$ 2,229,315	\$ 26,035	\$ 2,255,350
Individual contributions	361,621	-	361,621
Corporation contributions	725,779	714,000	1,439,779
Special events	4,400	13,000	17,400
Outside fundraisers	254,574	-	254,574
Change in value of beneficial interests held by others	64,904	-	64,904
Contributions of nonfinancial assets	118,841	-	118,841
Investment income	101	-	101
	<u>3,759,535</u>	<u>753,035</u>	<u>4,512,570</u>
Net assets released from restriction	561,798	(561,798)	-
Total Revenues and Support	<u>4,321,333</u>	<u>191,237</u>	<u>4,512,570</u>
Expenses			
Program services	2,895,923	-	2,895,923
Supporting activities	831,311	-	831,311
Total Expenses	<u>3,727,234</u>	<u>-</u>	<u>3,727,234</u>
Change in Net Assets	594,099	191,237	785,336
Net Assets, beginning of year	<u>3,731,410</u>	<u>483,939</u>	<u>4,215,349</u>
Net Assets, end of year	<u>\$ 4,325,509</u>	<u>\$ 675,176</u>	<u>\$ 5,000,685</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, 2022

	Program Services			Supporting Activities		Total
	Earlier Awareness	Quality of Life	Together in TEAL	Management and General	Fundraising	
Salaries and wages	\$ 396,513	\$ 284,878	\$ 577,667	\$ 196,890	\$ 187,436	\$ 1,643,384
Employee benefits	21,177	15,247	31,341	10,165	6,776	84,706
Payroll taxes	32,154	23,151	47,588	15,434	10,289	128,616
Rent and utilities	55,172	15,600	32,185	10,713	6,925	120,595
Independent contractors	29,520	10,680	106,024	5,433	24,320	175,977
Professional services	26,095	1,049	5,969	36,180	25,789	95,082
Website	5,749	23,149	5,749	2,931	2,819	40,397
Marketing and communications	142,150	15,678	47,267	54,097	2,884	262,076
Equipment and furniture	1,301	383	3,664	742	1,290	7,380
Office supplies and materials	6,076	464	4,452	925	2,392	14,309
Postage and shipping	9,606	35,908	23,626	2,364	1,250	72,754
Printing and copying	31,000	56,870	18,440	1,140	1,852	109,302
Telecommunications	11,455	1,086	10,392	2,103	1,812	26,848
Events related costs	19,835	79,374	358,278	69,774	5,960	533,221
Travel	4,921	9,140	29,679	3,939	1,599	49,278
Software and subscriptions	23,110	11,481	71,310	64,811	44,559	215,271
Licenses and permits	-	-	-	20,573	30	20,603
Insurance	2,069	830	17,751	1,608	5,239	27,497
Research and sponsored projects	-	111,163	-	-	-	111,163
Charges, dues and fees	348	248	2,631	505	139,571	143,303
Community Support Initiatives	165	887,759	110	-	10	888,044
Depreciation	566	407	837	271	181	2,262
Literature costs	-	171,450	-	-	-	171,450
Other	-	2,698	-	3,450	-	6,148
	<u>\$ 818,982</u>	<u>\$ 1,758,693</u>	<u>\$ 1,394,960</u>	<u>\$ 504,048</u>	<u>\$ 472,983</u>	<u>\$ 4,949,666</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, 2021

	<u>Program Services</u>			<u>Supporting Activities</u>		<u>Total</u>
	<u>Earlier Awareness</u>	<u>Quality of Life</u>	<u>Together in TEAL</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 387,449	\$ 266,303	\$ 565,692	\$ 181,880	\$ 162,253	\$ 1,563,577
Employee benefits	17,035	11,614	24,871	5,523	7,134	66,177
Payroll taxes	32,660	22,268	47,685	10,590	13,677	126,880
Rent and utilities	52,396	11,278	46,651	8,680	11,628	130,633
Independent contractors	10,426	116,095	84,048	2,667	13,466	226,702
Professional services	47,690	3,625	3,625	25,820	33,548	114,308
Website	21,411	21,411	21,411	10,706	10,706	85,645
Marketing and communications	121,930	2,106	32,010	1,002	11,293	168,341
Equipment and furniture	1,196	242	84	349	23	1,894
Office supplies and materials	4,809	(512)	208	2,478	10	6,993
Postage and shipping	5,401	13,448	10,820	672	3,451	33,792
Printing and copying	2,625	5,117	3,442	140	3,879	15,203
Telecommunications	19,317	2,131	8,079	1,547	2,063	33,137
Events related costs	7,724	61,525	57,962	1,429	58,342	186,982
Travel	1,722	2,560	7,033	4,273	6,296	21,884
Software and subscriptions	26,713	16,616	61,870	49,235	34,105	188,539
Licenses and permits	-	-	-	-	24,189	24,189
Insurance	3,902	2,341	9,169	1,756	2,341	19,509
Research and sponsored projects	-	62,000	-	-	-	62,000
Charges, dues and fees	-	-	-	123,191	-	123,191
Community Support Initiatives	-	370,879	-	-	-	370,879
Depreciation	1,239	880	1,962	409	560	5,050
Literature costs	-	147,150	-	-	-	147,150
Other	-	4,579	-	-	-	4,579
	<u>\$ 765,645</u>	<u>\$ 1,143,656</u>	<u>\$ 986,622</u>	<u>\$ 432,347</u>	<u>\$ 398,964</u>	<u>\$ 3,727,234</u>

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

National Ovarian Cancer Coalition, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Change in Net Assets	\$ (482,160)	\$ 785,336
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	2,262	5,050
Change in value of beneficial interests in assets held by others	298,348	(64,904)
Amortization of right-of-use asset and lease liability	(967)	-
Changes in operating assets and liabilities		
Contributions receivable	77,233	(78,208)
Inventory	2,700	4,585
Deposits	-	3,307
Prepaid expenses	(91,770)	(151,071)
Accounts payable	82,727	15,752
Accrued salaries and wages	4,197	5,001
Accrued vacation	(1,587)	7,016
Accrued interest	4,487	6,188
Deferred rent	-	(2,858)
Deferred revenue	-	(15,000)
Net Cash Provided (Used) by Operating Activities	(104,530)	520,194
Cash Flows From Investing Activities		
Purchase of equipment	(8,354)	(13,803)
Net Increase (Decrease) in Cash	(112,884)	506,391
Cash and cash equivalents, beginning of year	3,834,933	3,328,542
Cash and cash equivalents, end of year	\$ 3,722,049	\$ 3,834,933

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

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Organization

National Ovarian Cancer Coalition, Inc. (NOCC) is a nonprofit public benefit corporation. NOCC's mission is to save lives through the prevention and cure of ovarian cancer and to improve the quality of life for survivors and their caregivers. NOCC currently provides program services nationwide. It is funded through contributions from the public and private sectors.

Program Structure

NOCC's work is grounded in four pillars: Early Awareness, Quality of Life, Community Outreach, and Research. Below highlights the key focus areas and the programs that support each initiative and the ovarian cancer community.

Early Awareness

Through programs and resources, NOCC empowers survivors and caregivers to make the appropriate health decisions as they move through the continuum of care by providing the following resources:

- **Educational Resources** - literature, videos, and content on ovarian.org
- **Information Line 1-888-OVARIAN** - information about NOCC, educational programming, and local chapter connections
- **Ask the Experts** (Facebook Live Educational Series) - informative sessions led by industry experts designed to raise awareness, educate about ovarian cancer and provide resources for navigating the ovarian cancer journey
- **Local Community Education Programs** - local health fairs, lunch and learn presentations, and speaker's bureau activities that aim to raise earlier awareness in our communities

Quality of Life

NOCC provides physical, mental, emotional, and social support programs key to improving the survivor experience, which can impact health and enhance the quality of life.

- **Faces of Hope®** (Support/Educational Care Kits) - tote bag that provides survivors with educational resources and comfort items to help navigate a new diagnosis of ovarian cancer
- **Teal Hearts Network** (Survivor Peer-to-Peer Support Group) - online monthly gatherings hosted by local NOCC chapters across the country that provide a place for survivors to get the emotional support they need as they navigate their journey
- **Teal Cares Network** (Caregiver Support Group) - online national support group for caregivers professionally facilitated by expert clinicians that will allow caregivers to address their own physical and emotional challenges

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Organization (Continued)

Quality of Life (Continued)

- **NOCC CancerConnect Online Community** (24/7 Online Support Forum) - online forum where survivors and their caregivers can learn, support, and connect with others
- **Nutritional Information and Support** (Savor Health® Ina) – Nutritional guide to help manage symptoms and provide nutrition support they need as they navigate their journey. Savor Health offers a text-based app that can see personalize nutrition tips and answer questions.
- **Comfort for the Soul** (Meal Delivery Service) - healthy, pre-prepared meals delivered on a weekly basis to support survivors in treatment and their families (created in response to COVID-19)
- **Comfort for the Mind** (One-On-One Professional Counseling) - professional counseling aimed at supporting survivors and caregivers as they handle the stress of a new diagnosis, the anxiety of a recurrence, or the pressures that come from being a caregiver (created in response to COVID-19)
- **NOCC Clinical Trial Fund & Treatment Fund** (Financial Aid Program) - provide financial grants to individuals currently undergoing ovarian cancer treatment and participating in a clinical trial. These two funds aim to reduce the financial stress and barriers for those living with ovarian cancer by providing financial assistance for non-medical expenses that may hinder the ability to receive the treatment and care needed, no matter where they live.

Community Outreach

NOCC hosts events nationwide that focus on empowering and mobilizing communities to take action and raise ovarian cancer awareness around the U.S.

- **Together in TEAL® No Boundaries** – (Formerly Run/Walk to Break the Silence) - Together in TEAL® No Boundaries - National Broadcast Celebration - hosted annually, a legacy event focused on increasing knowledge about ovarian cancer, raising awareness about signs and symptoms while uniting NOCC communities in the U.S.
- **ROCK the Day®** (NOCC Signature DIY Program) - invites individuals from across the nation to come together and put their creativity and passion to Raise Ovarian Cancer Knowledge through fundraising and awareness of their choosing
- **Team TEAL®** (Endurance Awareness Events) - opportunity for endurance enthusiasts to participate in their favorite athletic activity while showing their support for loved ones. Whether it's a marathon, half marathon, triathlon, long-distance cycling, joining Team Teal allows you to do what you love while raising awareness and funds for ovarian cancer

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Organization (Continued)

Research

NOCC is dedicated to funding research that will lead to advancements in the field of ovarian cancer.

Research Grant for Early Detection and Quality of Life – Young Investigator Awards.

In partnership with the Foundation for Women’s Cancer, NOCC provided funding for two Young Investigator Research Grants, which accelerate the research of young investigators to promote the long-term success of the gynecologic oncology field.

In support of NOCC’s mission, two awards have been granted:

- NOCC Research Grant for Early Detection of Ovarian Cancer
- NOCC Research Grant for Quality of Life

Notable NOCC activities during the year ended December 31, 2022 were (unaudited):

Early Awareness:

Educational Resources:

57,000 pieces of literature and awareness items were distributed around the country

970K page views on ovarian.org website

136,284 – Signs & Symptoms Education

13,624 – Types & Stages of Ovarian Cancer

21,584 – Ovarian Cancer Diagnosis

38,370 – Ovarian Cancer Education

41,772 – Programs & Services

Quality of Life:

Faces of Hope®

1,742 TEAL Totes were distributed to women newly diagnosed with ovarian cancer

958 TEAL Totes/Kits were provided to women with a recurrence of ovarian cancer

Savor Health® Ina

121 new users downloaded and received nutritional guidance, 211 users in total

Ask the Experts

65,000 people attended the educational live series

NOCC CancerConnect Online Community

2,200 active users participating in the online support community

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Organization (Continued)

Quality of Life (Continued)

Comfort for the Soul

14,000 meals served to women in treatment for ovarian cancer

Comfort for the Mind

51 professional counseling vouchers provided to survivors and caregivers

Teal Hearts Network

1,400 people annually participated in the Survivor Peer to Peer online monthly gatherings

Financial Assistance Program

668 finance assistance grants to women in treatment for ovarian cancer

Community Outreach

Together in TEAL® - Ending Ovarian Cancer

13 awareness events nationally

869 Teams fought for the cause

994 Survivors were honored

22,000 participants and donors came to Together in TEAL®

Team TEAL® - Make a difference with your Miles

10 endurance events nationally

4,604 participants and donors

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.

Financial Statement 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 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.

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Summary of Significant Accounting Policies (Continued)
Financial Statement Presentation (Continued)

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. As of December 31, 2022 and 2021, NOCC had no 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.

Contributions of Nonfinancial Assets

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.

Tote bag inventory

Inventory consists of donated tote bags received in a prior year but not distributed as of the year end. Beginning in 2017, management determined that the value of the inventory should be \$1 per tote bag. NOCC plans to distribute the tote bags during future awareness events.

Use of Estimates

Management uses estimates and assumptions in preparing 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 the functional allocation of expenses, depreciable lives of fixed assets, and the collectability of receivables. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Property and Equipment

Property and equipment are stated at cost when purchased or fair value at the date of donation, less accumulated depreciation and amortization. Major expenditures and expenditures which substantially increase useful lives are capitalized. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are included in the statements of activities and changes in net assets when incurred.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in the statements 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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Accrued Vacation

NOCC's employees are entitled to paid vacation depending upon the length of service. Accrued vacation represents vacation earned, but not taken.

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.

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 statements of activities and changes in net assets or accrued in the statements 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.

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).

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

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.

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, 2022.

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 method 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.

Contributions Receivable and 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, depending on the nature of the restrictions.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Summary of Significant Accounting Policies (Continued)
Contributions Receivable and Promises to Give (Continued)

When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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, 2022 and 2021 and no provision was made for uncollectible receivables as of these 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, 2022 and 2021 totaled \$262,075 and \$168,341, respectively.

Deferred Rent

Prior to January 1, 2022, in accordance with ASC Topic 840, *Leases*, NOCC recorded an operating lease agreement containing provisions for future rent increases and periods of reduced rent payments. In accordance with 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. On January 1, 2022, NOCC adopted ASU No. 2016-2, *Leases*, which resulted in eliminating the deferred rent balance.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. 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.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
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Note 2: Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted in 2022

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which introduced a lessee model that requires the majority of leases to be recognized on the statement of financial position.

On January 1, 2022, NOCC adopted the ASU using the modified retrospective transition approach and elected the transition option to recognize the adjustment in the period of adoption rather than in the earliest period presented. Adoption of the new guidance resulted in right-of-use (ROU) assets and liabilities.

As part of the adoption process, NOCC made the following elections:

- NOCC elected the hindsight practical expedient, for all leases.
- NOCC elected the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classifications and initial direct costs for all leases.
- NOCC elected to make the accounting policy election for short-term leases resulting in lease payments being recorded as an expense on a straight-line basis over the lease term.

NOCC determines if a contract is classified as a lease at the contract's inception. Lease agreements are evaluated to determine whether the lease is a finance or operating lease. ROU assets and lease liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term. In the year of implementation of the new lease standard, ROU assets and lease liabilities are recognized at the implementation date based on the net present value of lease payments over the remaining lease term. NOCC's lease does not provide an implicit rate; therefore, NOCC has elected to use a risk-free rate as its incremental borrowing rate, based on the information available at the commencement or implementation date to determine the present value of the lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the accompanying statements of financial position and are recognized as lease expense on a straight-line basis over the lease term.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit (NPO) Entities for Contributed Nonfinancial Assets*, as an update to ASC 958. The ASU requires an NPO present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash and other financial assets, and disclose a disaggregation of the amount of contributed nonfinancial assets by category, qualitative information about monetizing or utilizing contributed nonfinancial assets, a description of the valuation techniques used to arrive at a fair value measure, and any donor-imposed restrictions associated with the contributed nonfinancial assets.

National Ovarian Cancer Coalition, Inc.
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December 31, 2022 and 2021

Note 2: Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted in 2022 (Continued)

The new standard is effective for all NPO entities for annual periods beginning after June 15, 2021, and should be applied on a retrospective basis. NOCC has adopted this update for the years ended December 31, 2022 and 2021. See Note 4.

Date of Management's Review

NOCC has evaluated subsequent events through November 30, 2023, the date the financial statements were available to be issued.

Note 3: Contributions of Nonfinancial Assets

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets and services recognized within the statements of activities and changes in net assets included the following:

2022				
<u>Item</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique and Inputs</u>
Advertising services	\$ 137,845	Fundraising	No donor restrictions	Estimated fair value is based on retail values that would be received for purchasing similar advertising services.
Total	<u>\$ 137,845</u>			
2021				
<u>Item</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique and Inputs</u>
Advertising services	\$ 118,841	Fundraising	No donor restrictions	Estimated fair value is based on retail values that would be received for purchasing similar advertising services.
Total	<u>\$ 118,841</u>			

Note 4: Beneficial Interests in Assets Held by Others

NOCC is the beneficiary of two trusts. The first trust has many beneficiaries and its assets have been segregated into separate accounts for each beneficiary. Therefore, NOCC's interest in this trust account is 100% and is valued based on the fair value of the underlying assets. At December 31, 2022 and 2021 the trust assets consisted of money accounts and mutual funds.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 4: Beneficial Interests in Assets Held by Others (Continued)

As of December 31, 2022 and 2021, the interest in this trust was valued at:

	2022	2021
Beneficial interests in assets held by others	\$ 950,914	\$ 1,249,262

Distributions from the first trust for the years ended December 31, 2022 and 2021 were \$75,250 and \$70,644, respectively, and are included with individual contributions in the accompanying statements of activities and changes in net assets. The changes in value of this beneficial interest for the years ended December 31, 2022 and 2021 was \$(298,347) and \$64,904, respectively.

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, 2022 and 2021 were \$11,250 and \$10,000, respectively, and are included in the accompanying statements of activities and changes in net assets with individual donations.

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:

			Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	2022	\$ 732,517	\$ 732,517	\$ -	\$ -
Fixed income	2022	\$ 218,397	\$ 218,397	-	-
		\$ 950,914	\$ 950,914	\$ -	\$ -
Equity securities	2021	\$ 1,030,873	\$ 1,030,873	\$ -	\$ -
Fixed income	2021	\$ 218,389	\$ 218,389	-	-
		\$ 1,249,262	\$ 1,249,262	\$ -	\$ -

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 6: Net Assets With Donor Restrictions

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

	2022	2021
Earlier Awareness	\$ 50,000	\$ 20,000
Quality of Life	578,202	587,664
Together in TEAL	-	67,512
Time Bound	152,848	-
	\$ 781,050	\$ 675,176

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

	2022	2021
Earlier Awareness	\$ 35,000	\$ 129,035
Quality of Life	701,245	388,150
Together in TEAL	93,525	44,613
	\$ 829,770	\$ 561,798

Note 7: Operating Leases

Headquarters - Dallas, Texas

During 2018, with 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 months of no rent 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

On December 27, 2016, NOCC signed an amendment to its lease agreement to be effective February 1, 2017 and expired January 1, 2022 at a rate of \$1,503 per month for the first year and an increase of 2.5% per year thereafter. The lease was not renewed when expired.

NOCC's weighted average remaining lease term relating to its operating leases is 6.58 years, with a weighted average discount rate of 1.55%.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 7: Operating Leases (Continued)

Future minimum annual lease payments required under the operating lease with remaining non-cancellable lease term in excess of one year are as follows:

2023	\$	77,056
2024		78,916
2025		80,777
2026		82,637
2027		84,498
2028 and thereafter		137,366
Total lease payments		541,250
Less interest		(31,215)
Present value of lease liability	\$	510,035

Rental expense under these agreements for the years ended December 31, 2022 and 2021 was \$75,575 and \$85,542, respectively.

NOCC incurred additional rental expense for storage for the years ended December 31, 2022 and 2021 of \$37,749 and \$37,590, respectively.

Note 8: Notes Payable

In July 2020, NOCC applied and obtained an Economic Injury Disaster Loan under the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)* totaling \$150,000 through the Small Business Administration (SBA). This loan has a term of 30 years with a maturity date of June 2050 and is secured by the collateral of all tangible and intangible assets of NOCC. Principal and interest, at fixed rate of 2.75% per annum, are due and payable in monthly installments of \$641 starting July 2022. In March 2022, The SBA granted NOCC an additional 6-month deferment for the first payment. Interest will continue to accrue, and voluntary full or partial payments may be made without prepayment penalties during the deferment. At December 31, 2022 and 2021, the outstanding balance of the loan was \$150,000.

Interest expense for the years ended December 31, 2022 and 2021 was \$4,487 and \$6,188, respectively.

National Ovarian Cancer Coalition, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 8: Notes Payable (Continued)

Scheduled future maturities of the notes payable for the years ending December 31 are as follows:

2023	\$	-
2024		-
2025		-
2026		3,139
2027		3,700
2028 and thereafter		143,161
Total	\$	<u>150,000</u>

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, 2022 and 2021 were \$31,754 and \$27,543, 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 Financial Statements
December 31, 2022 and 2021

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.

Financial assets available at December 31, 2022	\$ 3,733,024
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions	<u>(781,050)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,951,974</u>