

National Ovarian Cancer Coalition, Inc.

Consolidated Financial Statements
Years Ended
December 31, 2007 and 2006

National Ovarian Cancer Coalition, Inc.

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BERKOVITS & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

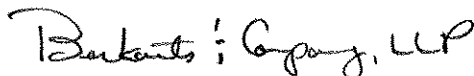
INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated statements of financial position of the National Ovarian Cancer Coalition, Inc. (the "Organization") a nonprofit organization, as of December 31, 2007 and 2006, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the National Ovarian Cancer Coalition, Inc. as of December 31, 2007 and 2006, and the consolidated 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.



Ft. Lauderdale, Florida
October 20, 2008

National Ovarian Cancer Coalition, Inc.

Consolidated Statements of Financial Position

December 31, 2007 and 2006

	<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents		\$ 1,836,621	\$ 851,329
Contributions receivable		133,505	355,000
Investments		2,634,057	2,541,618
Rent and security deposits		19,561	10,872
Property and equipment, net		5,079	16,467
Total assets		<u>\$ 4,628,823</u>	<u>\$ 3,775,286</u>

LIABILITIES AND NET ASSETS

Liabilities:			
Accounts payable and accrued expenses		\$ 470,398	\$ 40,312
Grant payable		30,000	30,000
Total liabilities		<u>500,398</u>	<u>70,312</u>
Net assets:			
Unrestricted		3,922,159	3,247,165
Temporarily restricted		206,266	457,809
Total net assets		<u>4,128,425</u>	<u>3,704,974</u>
Total liabilities and net assets		<u>\$ 4,628,823</u>	<u>\$ 3,775,286</u>

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

National Ovarian Cancer Coalition, Inc.

Consolidated Statements of Activities

Years Ended December 31,

	2007			2006		
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted	
		Total	Total		Total	Total
Revenues and Other Support						
Cash donations and contributions	\$ 3,370,753	\$ 65,465	\$ 3,436,218	\$ 3,235,042	\$ 559,616	\$ 3,794,658
Interest and investment income	213,312	-	213,312	113,944	-	113,944
Total revenues and support	<u>3,584,065</u>	<u>65,465</u>	<u>3,649,530</u>	<u>3,348,986</u>	<u>559,616</u>	<u>3,908,602</u>
Expenses						
Program services:						
Awareness and education	2,329,497	297,008	2,626,505	2,283,850	139,287	2,423,137
Conferences and outreach programs	120,832	20,000	140,832	247,655	19,866	267,521
Research funding	-	-	-	10,000	24,100	34,100
Total program services	<u>2,450,329</u>	<u>317,008</u>	<u>2,767,337</u>	<u>2,541,505</u>	<u>183,253</u>	<u>2,724,758</u>
Support services:						
Fund-raising	112,445	-	112,445	184,686	-	184,686
Management and general	346,297	-	346,297	212,855	-	212,855
Total support services	<u>458,742</u>	<u>-</u>	<u>458,742</u>	<u>397,541</u>	<u>-</u>	<u>397,541</u>
Total expenses	<u>2,909,071</u>	<u>317,008</u>	<u>3,226,079</u>	<u>2,939,046</u>	<u>183,253</u>	<u>3,122,299</u>
Increase (decrease) in net assets	674,994	(251,543)	423,451	409,940	376,363	786,303
Net assets- beginning of year	<u>3,247,165</u>	<u>457,809</u>	<u>3,704,974</u>	<u>2,837,225</u>	<u>81,446</u>	<u>2,918,671</u>
Net assets- end of year	<u>\$ 3,922,159</u>	<u>\$ 206,266</u>	<u>\$ 4,128,425</u>	<u>\$ 3,247,165</u>	<u>\$ 457,809</u>	<u>\$ 3,704,974</u>

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

National Ovarian Cancer Coalition, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2007

	PROGRAM SERVICES				SUPPORT SERVICES			Total
	Total Expenses	Awareness and Education	Conferences and Outreach Programs	Research	Program Services	Fund - Raising	Management and General	
Unrestricted Expenses:								
Program costs and related travel and hotel	\$ 718,668	\$ 589,187	\$ 120,832	\$ -	\$ 710,019	\$ 217	\$ 8,432	\$ 8,649
Printing, production and related activities	173,272	166,697	-	-	166,697	6,500	75	6,575
Payroll and related taxes	748,912	545,058	-	-	545,058	73,215	130,639	203,854
Postage and delivery	71,917	59,799	-	-	59,799	8,275	3,843	12,118
Event costs	516,946	516,946	-	-	516,946	-	-	-
Telephone and utilities	36,203	24,896	-	-	24,896	5,055	6,252	11,307
Rent	87,242	59,962	-	-	59,962	13,248	14,032	27,280
Professional fees	49,795	49,795	-	-	49,795	-	-	-
Supplies	76,628	71,340	-	-	71,340	836	4,452	5,288
Contract labor	266,058	93,955	-	-	93,955	981	171,122	172,103
Depreciation	11,388	11,388	-	-	11,388	-	-	-
Repairs and maintenance	2,408	2,318	-	-	2,318	26	64	90
Dues and subscriptions	2,908	2,475	-	-	2,475	433	-	433
Insurance	35,659	25,528	-	-	25,528	3,546	6,585	10,131
Bank and credit card charges	14,160	13,666	-	-	13,666	113	381	494
Licenses and permits	3,962	3,542	-	-	3,542	-	420	420
Software	295	295	-	-	295	-	-	-
Web site development and maintenance	92,650	92,650	-	-	92,650	-	-	-
Total unrestricted expenses	<u>2,909,071</u>	<u>2,329,497</u>	<u>120,832</u>	<u>-</u>	<u>2,450,329</u>	<u>112,445</u>	<u>346,297</u>	<u>458,742</u>
Temporarily Restricted Expenses:								
Program costs and related travel and hotel	317,008	297,008	20,000	-	317,008	-	-	-
Total temporarily restricted expenses	<u>317,008</u>	<u>297,008</u>	<u>20,000</u>	<u>-</u>	<u>317,008</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,226,079</u>	<u>\$ 2,626,505</u>	<u>\$ 140,832</u>	<u>\$ -</u>	<u>\$ 2,767,337</u>	<u>\$ 112,445</u>	<u>\$ 346,297</u>	<u>\$ 458,742</u>

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

National Ovarian Cancer Coalition, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2006

	PROGRAM SERVICES				SUPPORT SERVICES			
	Total Expenses	Awareness and Education	Conferences and Outreach Programs	Research	Program Services	Fund - Raising	Management and General	Total Support Services
Unrestricted Expenses:								
Program costs and related travel and hotel	\$ 1,215,507	\$ 958,771	\$ 247,655	\$ -	\$ 1,206,426	\$ 4,922	\$ 4,159	\$ 9,081
Printing, production and related activities	52,915	40,338	-	-	40,338	8,837	3,740	12,577
Payroll and related taxes	660,364	422,770	-	-	422,770	122,506	115,088	237,594
Postage and delivery	52,146	37,378	-	-	37,378	11,965	2,803	14,768
Research donations	10,000	-	10,000	-	10,000	-	-	-
Event costs	606,365	606,365	-	-	606,365	-	-	-
Telephone and utilities	31,500	24,521	-	-	24,521	3,562	3,417	6,979
Rent	81,325	55,108	-	-	55,108	13,501	12,716	26,217
Professional fees	43,499	4,973	-	-	4,973	156	38,370	38,526
Supplies	27,331	22,201	-	-	22,201	2,569	2,761	5,130
Contract labor	35,184	23,253	-	-	23,253	692	11,239	11,931
Depreciation	29,416	29,416	-	-	29,416	-	-	-
Repairs and maintenance	2,478	1,900	-	-	1,900	274	304	578
Dues and subscriptions	3,484	1,747	-	-	1,747	820	917	1,737
Insurance	61,818	35,671	-	-	35,671	13,879	12,268	26,147
Bank and credit card charges	10,820	7,724	-	-	7,724	1,203	1,893	3,096
Licenses and permits	5,372	5,022	-	-	5,022	-	350	350
Software	6,692	6,692	-	-	6,692	-	-	-
Loss on disposal of assets	2,830	-	-	-	-	-	2,830	2,830
Total unrestricted expenses	2,939,046	2,283,850	247,655	10,000	2,541,505	184,686	212,855	397,541
Temporarily Restricted Expenses:								
Web site development and maintenance	10,000	10,000	-	-	10,000	-	-	-
Program costs and related travel and hotel	173,253	129,287	19,866	24,100	173,253	-	-	-
Total temporarily restricted expenses	183,253	139,287	19,866	24,100	183,253	-	-	-
Total	\$ 3,122,299	\$ 2,423,137	\$ 267,521	\$ 34,100	\$ 2,724,758	\$ 184,686	\$ 212,855	\$ 397,541

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

National Ovarian Cancer Coalition, Inc.

Consolidated Statements of Cash Flows Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 423,451	\$ 786,303
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	11,388	29,416
Loss on disposal of assets	-	2,830
Unrealized gain on securities	(17,613)	(13,738)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	221,495	27,761
Rent and security deposits	(8,689)	3,237
Increase (decrease) in:		
Accounts payable and accrued expenses	430,086	(66,974)
Grant payable	-	(60,000)
Net cash provided by operating activities	<u>1,060,118</u>	<u>708,835</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(2,478)
Purchase of investments	(74,826)	(441,687)
Net cash used in investing activities	<u>(74,826)</u>	<u>(444,165)</u>
Net increase in cash and cash equivalents	985,292	264,670
Cash and cash equivalents- beginning of year	<u>851,329</u>	<u>586,659</u>
Cash and cash equivalents- end of year	<u>\$ 1,836,621</u>	<u>\$ 851,329</u>

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

National Ovarian Cancer Coalition, Inc.
Notes to Consolidated Financial Statements

NOTE 1 - NATURE OF THE ORGANIZATION AND PURPOSE

The National Ovarian Cancer Coalition, Inc. ("NOCC" or the "Organization") was founded in Boca Raton, Florida, in April 1995, and is a 501(c)(3) not-for-profit Florida corporation. The Organization currently has eighty divisions throughout the United States of America. The Organization has no required dues or membership fees. Funding is obtained through donations from the public and private sectors, with a goal of increasing education and awareness, and improving the overall quality of life for individuals suffering from ovarian cancer.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of all NOCC state divisions that were affiliated with the Organization during 2007 and 2006. The divisions operate under the oversight of the Organization through licensing agreements.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by SFAS No. 117, the Organization does not use fund accounting.

Public Support and Revenue

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. As of December 31, 2007 and 2006, the Organization had approximately \$206,000 and \$458,000, respectively of contributions with donor-imposed restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the periods received. Contributions of donated services that (1) create or enhance non-financial assets or that (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

In addition to the amounts recorded in the consolidated financial statements, the Organization receives donated services from unpaid Board members, officers, and volunteers who assist in administration, fund raising and special projects. These services do not meet the criteria for recognition, in the consolidated financial statements, as contributed services.

The Organization uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on management's analysis of specific promises to give. At December 31, 2007 and 2006, the Organization had no allowance for doubtful accounts since it believes all contributions will be collected.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Fair value approximates carrying amounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss, including gains and losses on investments, interest and dividends, is included in the statement of activities as an increase or decrease in unrestricted net assets since the income or loss is not restricted by the donor or law.

Property and Equipment

It is the Organization's policy to capitalize purchased property and equipment, exceeding a threshold, at cost.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such contributions are reported as unrestricted unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization did not have any unrelated business income.

Functional Allocation of Expenses

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

National Ovarian Cancer Coalition, Inc.
Notes to Consolidated Financial Statements

NOTE 3 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash in banks, investments and promises to give.

The Organization places its cash and cash equivalents with high credit quality financial institutions which the Organization believes limits these risks.

In addition the Organization maintains investment accounts with financial institutions which are not insured by the FDIC. These funds which were invested in money market funds may be subject to insurance by Special Purpose Insurance Corporation (SPIC), subject to various limitations. As of December 31, 2007 and 2006, \$783,046 and \$54,757, respectively, were held in these accounts.

Concentrations of credit risk with respect to promises to give are limited due to the verifiability of evidence, noting the donors' intent to donate and the history of the Organization with respect to collections.

NOTE 4 – RECLASSIFICATIONS

Certain accounts in the 2006 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 5 – CASH RESTRICTIONS

The Organization received grant funds which are required to be maintained in separate bank accounts and have restrictions as to the use of the funds. On December 31, 2007 and 2006, the Organization had approximately \$233,000 and 20,000, respectively in separate bank accounts related to these grants.

NOTE 6 – INVESTMENTS

Investments as of December 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Certificates of deposit, with maturities between six months and two years	\$ 447,832	\$ 2,541,618
Stocks	504	-
Mutual Funds	2,185,721	-
	<u>\$ 2,634,057</u>	<u>\$ 2,541,618</u>

National Ovarian Cancer Coalition, Inc.
Notes to Consolidated Financial Statements

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Office Furniture and Equipment	\$ 65,132	\$ 65,132
Less: Accumulated Depreciation	<u>(60,053)</u>	<u>(48,665)</u>
	<u>\$ 5,079</u>	<u>\$ 16,467</u>

Depreciation expense in 2007 and 2006 was \$11,388 and \$29,416, respectively.

NOTE 8- GRANT PAYABLE

Grant payable is for a fellowship research project entitled “Development of an Ovarian Cancer Vaccine” conducted at the University of Pennsylvania by Dr. George Coukos. The fellowship called for four payments of \$30,000 to be made over approximately two years. The first payment was made on August 1, 2005 in the amount of \$30,000. The remaining installment totaling \$30,000 was made in 2008, once Dr. Coukos provided a final accounting of the funds and a comprehensive report of the research.

NOTE 9- SUPPORT AND REVENUES

Cash Donations and Contributions

Unrestricted cash donations and contributions received during 2007 and 2006 totaling \$3,370,753 and \$3,235,042, respectively, were received from the following sources:

	<u>2007</u>	<u>2006</u>
Special events and other	\$ 2,195,336	\$2,028,682
Individual contributors and members	480,718	688,913
Memorial gifts	403,333	234,990
Corporate	235,967	179,607
Educational conferences	<u>55,399</u>	<u>102,850</u>
	<u>\$ 3,370,753</u>	<u>\$ 3,235,042</u>

Included in the above are proceeds from “Walk for the Whisper” events totaling over \$1,279,169 and \$1,494,954, or 38% and 46% of total unrestricted cash donations and contributions for 2007 and 2006, respectively.

NOTE 9- SUPPORT AND REVENUES - continued

Contributed Goods and Services

There were no contributed goods and services recorded in the consolidated financial statements for 2007 and 2006 respectively.

The Organization's Chair of the Board provides substantial services and other members of the Board of Directors provided various services to the Organization, but these services did not meet the criteria for recognition as Contributed Services in the consolidated financial statements and are not reflected therein.

NOTE 10 – COMMITMENTS

License Agreements

NOCC's state divisions operate under licensing agreements pursuant to which a portion of NOCC's revenues raised by the Divisions are used for local awareness projects. As of December 31, 2007 and 2006 the portion of NOCC's assets reserved for such activities is approximately \$1,924,000 and \$1,565,000, respectively.

Office Leases

Effective January 1, 2004 the Organization entered into an office lease agreement for five years at a rate of \$4,559 per month for the first year and increases of 5 - 10% per year thereafter. Beginning March 1, 2008, the Organization was released from a portion of the space it had acquired.

In May 2002, the Organization entered into an office lease agreement for one of its divisions for one year, at a rate of \$550 through September 2002 and then a rate of \$700 per month until May 31, 2003. The Organization renewed the lease for an additional 2 year term effective November 22, 2004 through November 21, 2006 at a rate of \$700 per month. The Organization renewed this lease for an additional eighteen months at a rate of \$700 per month until April 2008. This lease has an automatic renewal for six month at a monthly rate of \$800.

Effective May 2006, the Organization entered into another office lease agreement for a division, at a rate of \$425 per month, through April 2008. The lease has an automatic renewal of one additional year at a monthly rate of \$460 starting May 2008.

Effective September 2007, the Organization entered into a 3 year office lease agreement for another division, at a rate of \$1,195 per month.

In October 2007, the Organization leased office space for its Finance department for one year at a rate of \$1,000 per month, with automatic annual renewals.

National Ovarian Cancer Coalition, Inc.
Notes to Consolidated Financial Statements

NOTE 10 – COMMITMENTS – continued

Rent expense for 2007 and 2006 was approximately \$87,000 and \$81,000, respectively. Minimum lease obligations under these leases are expected to be as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 86,611
2009	14,340
2010	<u>9,560</u>
	<u>\$ 110,511</u>

The Organization does not expect this rent to be contributed.

NOTE 11 – LEGAL PROCEEDINGS

The Organization is involved in three legal matters arising in the ordinary course of business. Subsequent to year end all three matters were settled out of court. All costs associated with two of the settlements were handled by the Organization's insurance policy. The third claim was also subsequently settled but the costs were not covered by insurance. The Organization recorded a liability for the settlement costs of \$52,500 for the year ended December 31, 2007.

NOTE 12 – MAJOR CONTRIBUTORS

During 2007, approximately 19% of cash contributions were received from 17 contributors. During 2006, approximately 32% of cash contributions were received from 22 contributors. The Organization did not receive any in-kind donations from donors during 2007 and 2006.

NOTE 13 – SUBSEQUENT EVENTS

Recent volatility in the equity markets has led, and may continue to lead, to a decline in the market value of the Organization's investments in securities.