

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ovarian Cancer Research Alliance

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ovarian Cancer Research Alliance ("OCRA"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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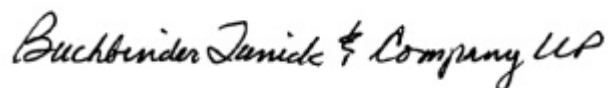
— With offices in New Jersey and Maryland —

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ovarian Cancer Research Alliance as of December 31, 2020 and 2019, and the changes in its net assets and its functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal year 2020, OCRA adopted new accounting guidance ASU 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to that matter.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
November 5, 2021

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Assets:		
Cash and cash equivalents	\$ 5,583,811	\$ 5,868,022
Investments at fair value	<u>23,044,897</u>	<u>23,641,752</u>
Receivables:		
Contributions receivable	641,801	882,847
Accrued interest	<u>23,936</u>	<u>31,310</u>
Total receivables	<u>665,737</u>	<u>914,157</u>
Prepaid expenses	76,372	563
Fixed assets, net of accumulated depreciation of \$181,101 and \$175,083 at December 31, 2020 and 2019, respectively	5,967	11,985
Security deposits	<u>12,195</u>	<u>12,195</u>
	<u>94,534</u>	<u>24,743</u>
Total assets	<u>\$ 29,388,979</u>	<u>\$ 30,448,674</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 63,308	\$ 138,545
Deferred event income	-	1,589
Deferred rent	247,814	226,942
Grants payable	<u>9,446,367</u>	<u>11,081,706</u>
Total liabilities	<u>9,757,489</u>	<u>11,448,782</u>
Net assets:		
Without donor restrictions	18,824,920	18,520,184
With donor restrictions	<u>806,570</u>	<u>479,708</u>
Total net assets	<u>19,631,490</u>	<u>18,999,892</u>
Total liabilities and net assets	<u>\$ 29,388,979</u>	<u>\$ 30,448,674</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Activities
For the years ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	\$ 4,339,553	\$ 196,970	\$ 4,536,523	\$ 5,304,088	\$ 234,441	\$ 5,538,529
Grants - government	402,581	-	402,581	-	-	-
Fundraising events:						
Fundraising events revenue	1,351,439	-	1,351,439	2,727,523	-	2,727,523
Less: cost of direct benefit to donors	(65,724)	-	(65,724)	(1,223,923)	-	(1,223,923)
Net fundraising events revenue	1,285,715	-	1,285,715	1,503,600	-	1,503,600
Conferences	254,664	188,048	442,712	266,127	110,000	376,127
Total contributions, grants - government, net fundraising events revenue and conferences	6,282,513	385,018	6,667,531	7,073,815	344,441	7,418,256
Other revenue:						
Interest and dividend income, net of investment fees of \$72,124 and \$58,222 at December 31, 2020 and 2019, respectively	539,625	-	539,625	616,400	-	616,400
Contributed services	599,310	-	599,310	559,469	-	559,469
Gain on sales of investments	447,486	-	447,486	316,890	-	316,890
Unrealized gain in market value of investments	1,264,837	-	1,264,837	1,838,310	-	1,838,310
Total other revenue	2,851,258	-	2,851,258	3,331,069	-	3,331,069
Net assets released from purpose restrictions	58,156	(58,156)	-	232,071	(232,071)	-
Total revenue and support	9,191,927	326,862	9,518,789	10,636,955	112,370	10,749,325
Expenses:						
Program services:						
Research	4,638,685	-	4,638,685	6,746,317	-	6,746,317
Conferences	544,450	-	544,450	633,893	-	633,893
Education, support and advocacy	1,670,122	-	1,670,122	1,653,665	-	1,653,665
Total program services	6,853,257	-	6,853,257	9,033,875	-	9,033,875
Supporting services:						
Fundraising	1,136,552	-	1,136,552	1,212,818	-	1,212,818
General and administrative	897,382	-	897,382	939,519	-	939,519
Total supporting services	2,033,934	-	2,033,934	2,152,337	-	2,152,337
Total expenses	8,887,191	-	8,887,191	11,186,212	-	11,186,212
Change in net assets	304,736	326,862	631,598	(549,257)	112,370	(436,887)
Net assets:						
Beginning of year	18,520,184	479,708	18,999,892	19,069,441	367,338	19,436,779
End of year	\$ 18,824,920	\$ 806,570	\$ 19,631,490	\$ 18,520,184	\$ 479,708	\$ 18,999,892

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Functional Expenses
For the years ended December 31, 2020 and 2019

	2020						2019					
	Program Services			Supporting Services			Program Services			Supporting Services		
	Research	Conferences	Education, Support and Advocacy	Fundraising	General and Administrative	Total	Research	Conferences	Education, Support and Advocacy	Fundraising	General and Administrative	Total
Research grants and allocations	\$ 4,105,959	\$ -	\$ -	\$ -	\$ -	\$ 4,105,959	\$ 6,217,244	\$ -	\$ -	\$ -	\$ -	\$ 6,217,244
Support program grants	-	-	144,476	-	-	144,476	-	-	220,397	-	-	220,397
Conferences	-	217,442	-	-	-	217,442	-	368,709	-	-	-	368,709
Salaries	240,646	191,756	503,929	493,656	472,350	1,902,337	220,892	143,862	478,386	539,755	438,142	1,821,037
Payroll taxes	17,889	14,254	37,460	36,697	35,113	141,413	16,398	10,680	35,513	40,069	32,526	135,186
Employee benefits	50,662	40,369	106,090	103,927	99,442	400,490	48,417	31,533	104,857	118,309	96,036	399,152
Rent	55,143	43,940	115,473	113,119	108,237	435,912	48,092	31,321	104,152	117,513	95,391	396,469
Professional fees	126,494	-	223,204	25,000	45,398	420,096	134,504	-	146,511	-	83,103	364,118
Advertising	-	-	411,073	106,321	3,559	520,953	-	-	382,168	95,193	22,594	499,955
Internet and communications	30,988	30,324	34,560	68,211	67,921	232,004	40,857	39,718	44,656	97,880	61,997	285,108
Travel and entertainment	664	-	63,825	422	1,864	66,775	6,522	-	76,107	-	27,987	110,616
Printing	-	-	5,156	64,527	5,560	75,243	-	-	26,331	60,368	11,393	98,092
Postage	-	-	849	34,401	4,668	39,918	-	-	2,211	32,205	12,379	46,795
Office expense	5,147	4,102	10,779	10,559	10,104	40,691	5,810	3,784	12,583	14,198	11,525	47,900
Insurance	2,079	1,656	4,353	4,264	4,081	16,433	4,866	3,169	10,539	11,891	9,652	40,117
Credit card fees	-	-	-	56,436	-	56,436	-	-	-	57,725	-	57,725
Bank fees	-	-	-	-	11,148	11,148	-	-	-	-	12,915	12,915
Filing fees	-	-	-	-	16,712	16,712	-	-	-	-	13,254	13,254
Miscellaneous	3,014	607	8,895	19,012	11,225	42,753	2,715	1,117	9,254	27,712	10,625	51,423
Total expenses	\$ 4,638,685	\$ 544,450	\$ 1,670,122	\$ 1,136,552	\$ 897,382	\$ 8,887,191	\$ 6,746,317	\$ 633,893	\$ 1,653,665	\$ 1,212,818	\$ 939,519	\$ 11,186,212
Percentage of total expenses	<u>52.20%</u>	<u>6.12%</u>	<u>18.79%</u>	<u>12.79%</u>	<u>10.10%</u>	<u>100.00%</u>	<u>60.31%</u>	<u>5.67%</u>	<u>14.78%</u>	<u>10.84%</u>	<u>8.40%</u>	<u>100.00%</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 631,598	\$ (436,887)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	6,018	14,138
(Gain) on sales of investments	(447,486)	(316,890)
Unrealized (gain) in market value of investments	(1,264,837)	(1,838,310)
(Increase) decrease in operating assets:		
Contributions receivable	241,046	1,131,045
Accrued interest receivable	7,374	3,773
Prepaid expenses	(75,809)	42,224
(Decrease) increase in operating liabilities:		
Accrued expenses	(75,237)	7,665
Deferred event income	(1,589)	(101,500)
Deferred rent	20,872	(32,026)
Grants payable	(1,635,339)	1,193,248
Net cash (used in) operating activities	(2,593,389)	(333,520)
Cash flows from investing activities:		
(Purchase of) investments	(8,723,276)	(5,164,537)
Proceeds from sale of investments	11,032,454	7,910,622
Net cash provided by investing activities	2,309,178	2,746,085
Net (decrease) increase in cash and cash equivalents	(284,211)	2,412,565
Cash and cash equivalents:		
Beginning of year	5,868,022	3,455,457
End of year	\$ 5,583,811	\$ 5,868,022

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Note 1 - Nature of Operations

The Ovarian Cancer Research Fund, Inc. (“OCRF”) D/B/A Ovarian Cancer Research Alliance (“OCRA”) is a corporation which was organized in the State of New York as a not-for-profit entity on December 8, 1994. OCRA executed a D/B/A on October 3, 2018 to assume the name Ovarian Cancer Research Alliance. OCRA previously operated as the Ovarian Cancer Research Fund Alliance (“OCRFA”), which name was adopted on January 1, 2016, the date on which the operations of the Ovarian Cancer National Alliance (“OCNA”) were consolidated with OCRF.

OCRA’s mission is to promote, advocate for, and support scientific research as it relates to the causes, prevention, diagnosis, treatment, and cure for ovarian cancer; to provide education about ovarian cancer; to promote, advocate for, and provide supportive services to persons affected by ovarian cancer; and to foster alliances to further those purposes.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below.

Principles of Consolidation and Reporting Entity

The accompanying consolidated financial statements include the accounts of the Ovarian Cancer Research Fund, Inc. (“OCRF”) and its affiliate, Ovarian Cancer National Alliance (“OCNA”). The entities have interrelated directors and share common facilities and personnel. Significant intercompany balances and transactions have been eliminated in consolidation.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements presentation follows the requirements of accounting principles generally accepted in the United States of America (“GAAP”). Under GAAP, OCRA reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of OCRA's management and Board of Directors.

Net Assets with Donor Restrictions - net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

As of September 17, 2010, New York State adopted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”).

Use of Estimates

OCRA's management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that management uses.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less. The carrying value for all such instruments, considering the terms, approximates fair value at December 31, 2020 and 2019.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

OCRA's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. OCRA expects to collect contributions receivable within one year.

Allowance for Credit Loss

On a periodic basis, OCRA evaluates its contributions receivable and determines whether an allowance for credit loss on uncollectible pledges should be established. Such estimates are based on management's assessment of the aged receivables, current economic conditions, and historical information. Contributions receivable are written off against the allowance for credit loss when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. OCRA has deemed an allowance for credit loss unnecessary at December 31, 2020 and 2019.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Contribution Revenue

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. OCRA has not received any conditional contributions for the years ended December 31, 2020 and 2019.

Unconditional contributions are recorded as revenue with or without donor restrictions depending on the existence and/or nature of any donor-imposed time or purpose restrictions. When the restrictions are satisfied, the funds are released to net assets without donor restrictions. Contributions with donor restrictions that are received and expended in the same year are treated as contributions without donor restrictions.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. OCRA capitalizes property and equipment acquisitions over \$5,000, as well as expenditures that increase the life of existing assets. Furniture and equipment are depreciated over five years. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from accounts and any gain or loss is included in revenue.

Grants Payable

Grants payable are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. At December 31, 2020 and 2019, grants payable are expected to be paid within three years.

Subsequent to year end, OCRA made grant payments of approximately \$4,700,000 which were included in \$9,446,367 of "Grants payable" as of December 31, 2020.

Advertising Costs

Advertising costs are expensed as incurred.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Functional Expenses

The costs of providing OCRA's program services and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Research and support grants	Purpose of expenditure
Conferences	Purpose of expenditure
Salaries, payroll taxes, and employee benefits	Time and effort
Rent	Time and effort
Professional and filing fees	Purpose of expenditure
Advertising	Purpose of expenditure
Internet and communications	Time and effort
Printing, postage, travel and entertainment	Purpose of expenditure
Office expense	Time and effort
Insurance	Time and effort
Credit card fees and bank fees	Purpose of expenditure
Miscellaneous	Purpose of expenditure

Contributed Services

Contributed services are recognized if the services received: (a) create or enhance long-lived assets or (b) requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

OCRA recognizes contributed services for advertising services and professional fees that were utilized principally in OCRA's program operations during the years ended December 31, 2020 and 2019. These contributed services have been recorded at their approximate fair value. Contributed services for the years ended December 31, 2020 and 2019 totaled \$599,310 and \$559,469, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Operating Leases

Operating lease expense has been recorded on the straight-line basis over the term of the lease. Deferred rent has been recorded for the difference between the fixed payment and the rent expense.

Income Taxes

OCRA files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service (the "IRS"). At December 31, 2020, OCRA's Form 990s for the years 2017 through 2020 remain eligible for examination by the IRS.

OCRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Reclassification

Certain prior year consolidated financial statements line items and amounts have been reclassified to conform to the current year's presentation. These reclassifications have no effect on the change in net assets previously reported.

New Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The update amends the required disclosures for investments, namely for Level 3 investments and for transfers between levels. OCRA has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

OCRA has evaluated subsequent events and transactions through November 5, 2021, the date that the consolidated financial statements were available to be issued.

Note 3 - Concentrations of Credit Risk

Financial instruments that subject OCRA to concentrations of credit risk include cash and contributions receivable. OCRA maintains an account at a high-quality financial institution, and its deposit balances may, at times, exceed federally insured limits. OCRA has not experienced any losses in these accounts.

Two donors represent approximately 27% of contributions receivable for the year ended December 31, 2019.

One donor represents approximately 12% of contribution revenue for each of the years ended December 31, 2020 and 2019.

Note 4 - Fixed Assets

Fixed assets at cost as of December 31, 2020 and 2019, are summarized as follows:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 187,068	\$ 187,068
Less: accumulated depreciation	<u>181,101</u>	<u>175,083</u>
Net fixed assets	<u>\$ 5,967</u>	<u>\$ 11,985</u>

Depreciation expense was \$6,018 and \$14,138 for the years ended December 31, 2020 and 2019, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 5 - Fair Value Measurements

Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. It defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in OCRA's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date.

The fair value hierarchy generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are to be developed based on the best information available in the circumstances.

OCRA determines the fair market value of its investments in securities based on the established fair value definition and hierarchy levels. The three levels within the hierarchy that may be used to measure fair value are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities.

The lowest level of input that is a significant component of the fair value measurements determines the placement of the entire fair value measurement in the hierarchy. OCRA's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 5 - Fair Value Measurements (Continued)

The following is a description of the valuation methods used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Corporate bonds:

Corporate bonds are valued utilizing inputs obtained from approved industry pricing services. To determine the value of these investments, a variety of inputs are utilized, including benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. If a pricing service determines they do not have sufficient independently verifiable information to determine a security's valuation, further attempts to value the issue are discontinued until ample information is received. Secondary pricing or generic pricing may be solicited from the same or other industry pricing service providers.

Common and preferred stocks:

Common and preferred stocks are carried at fair value as determined by quoted market prices in active markets.

Registered investment companies:

Investments in registered investment companies include mutual funds and exchange-traded funds. Mutual funds are stated at fair value based upon the net asset value of the shares held by OCRA at year end. Exchange-traded funds are stated at fair value based upon quoted market prices.

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although OCRA 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.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 5 - Fair Value Measurements (Continued)

The following table sets forth, by level, OCRA's assets that were accounted for at fair value on a recurring basis as of December 31, 2020:

Investments in securities:

	<u>Total Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments at fair value:				
Corporate bonds:				
U.S. - various sectors	\$ 2,688,302	\$ -	\$ 2,688,302	\$ -
Common stock, preferred stock and mutual funds:				
U.S. large cap	3,890,766	3,890,766	-	-
International	3,664,346	3,664,346	-	-
U.S. fixed income:				
Total return	3,320,468	3,320,468	-	-
Other	7,425,807	7,425,807	-	-
Global fixed income	56,812	56,812	-	-
Commodities	980,289	980,289	-	-
Various sectors	<u>1,018,107</u>	<u>1,018,107</u>	-	-
	<u>20,356,595</u>	<u>20,356,595</u>	-	-
Total investments	<u>\$ 23,044,897</u>	<u>\$ 20,356,595</u>	<u>\$ 2,688,302</u>	<u>\$ -</u>

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2020 and 2019

Note 5 - Fair Value Measurements (Continued)

The following table sets forth, by level, OCRA's assets that were accounted for at fair value on a recurring basis as of December 31, 2019:

Investments in securities:

	<u>Total Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments at fair value:				
Corporate bonds:				
U.S. - various sectors	\$ 2,668,002	\$ -	\$ 2,668,002	\$ -
Common stock, preferred stock and mutual funds:				
U.S. large cap	3,330,431	3,330,431	-	-
U.S. mid cap	582,292	582,292	-	-
International	2,813,793	2,813,793	-	-
Public real estate	455,334	455,334	-	-
U.S. fixed income:				
Total return	3,369,100	3,369,100	-	-
Other	7,878,514	7,878,514	-	-
Commodities	649,774	649,774	-	-
Various sectors	<u>1,894,512</u>	<u>1,894,512</u>	-	-
	<u>20,973,750</u>	<u>20,973,750</u>	-	-
Total investments	<u>\$23,641,752</u>	<u>\$20,973,750</u>	<u>\$ 2,668,002</u>	<u>\$ -</u>

OVARIAN CANCER RESEARCH ALLIANCE
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Note 6 - Notes Payable - Paycheck Protection Program

In April 2020, OCRA entered into a Paycheck Protection Program Term Note (the "PPP Note") with Chase Bank in the amount of \$402,581. The PPP Note was issued to OCRA pursuant to the Coronavirus, Aid, Relief, and Economic Security Act's (the "CARES Act") (P.L. 116-136) Paycheck Protection Program (the "Program"). Under the Program, all or a portion of the PPP Note may be forgiven in accordance with the Program requirements. OCRA has used all of the proceeds of the PPP Note to pay its qualified expenses, as defined in the SBA PPP loan requirements, and substantially met all conditions. Therefore, in June 2021, OCRA submitted its application for loan forgiveness.

On July 6, 2021, the forgiveness of the \$402,581 loan under the Program was approved and is shown in the consolidated statements of activities as "Grants – government".

Consequently, OCRA has elected to recognize the entire loan balance as income, as allowed under FASB ASC 958-605, *Not-for-Profit (NFP) Entities – Revenue Recognition*. Under this ASC, the PPP Note forgiveness is dependent on meeting certain conditions and would be considered a conditional contribution. Conditional contributions are recognized as income when the conditions on which they depend are met.

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Note 7 - Net Assets with Donor Restrictions

As of December 31, 2020 and 2019, net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Net assets with time and purpose restrictions:		
Conference	\$ 105,000	\$ 110,000
Support Line	-	70,000
Advocate Leaders	35,000	30,000
General Time Restriction	-	15,000
Woman to Woman	35,000	15,000
Research Advocate	10,000	-
Virtual Support Groups	20,000	-
Health Equity Task Force	<u>15,000</u>	<u>-</u>
Total net assets with time and purpose restrictions	<u>220,000</u>	<u>240,000</u>
Net assets with purpose restrictions:		
Ovarian Cancer Discovery Awards	60,000	60,000
Advocate Leaders	73,442	58,922
Advocate Conversations	-	6,384
Advocate Fellowships	390	13,267
Awareness Materials	1,105	25,000
Conference	193,048	-
Congressional Briefing	16,864	16,864
Health Equity Task Force	15,000	-
Research Advocate	30,000	30,000
Virtual Support Groups	106,007	-
Woman to Woman	<u>90,714</u>	<u>29,271</u>
Total net assets with purpose restrictions	<u>586,570</u>	<u>239,708</u>
Total net assets with donor restrictions	<u>\$ 806,570</u>	<u>\$ 479,708</u>

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
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Note 8 - Leases

OCRA leases office space in New York, New York and Washington, DC. The leases expire in November 2027 and November 2024, respectively. OCRA also leases storage space in the New York office building, which lease expires in January 2027. Minimum future rental payments under the present, non-cancellable operating leases are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 412,562
2022	442,376
2023	453,506
2024	458,964
2025	404,445
Thereafter	<u>789,767</u>
Total	<u>\$ 2,961,620</u>

Total rent expense for OCRA was \$435,912 and \$396,469 for the years ended December 31, 2020 and 2019, respectively.

Note 9 - Retirement Plan

OCRA sponsors a defined contribution 401(k) plan (the "Plan") covering all eligible employees of OCRA. OCRA makes annual contributions to the Plan equal to a percentage determined by OCRA prior to the end of each year. OCRA made contributions of \$65,677 and \$60,433 for the years ended December 31, 2020 and 2019, respectively.

Note 10 - Contingency

In connection with its New York office lease, OCRA is contingently liable for standby letters of credit in the amount of \$100,000.

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Notes to Consolidated Financial Statements (Continued)
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Note 11 - Availability and Liquidity

Financial assets consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 5,583,811	\$ 5,868,022
Investments	23,044,897	23,641,752
Contributions receivable	641,801	882,847
Accrued interest receivable	<u>23,936</u>	<u>31,310</u>
Total financial assets	<u>29,294,445</u>	<u>30,423,931</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	806,570	479,708
Less net assets with purpose restrictions to be met in less than a year	<u>(546,965)</u>	<u>(321,142)</u>
	<u>259,606</u>	<u>158,566</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 29,034,840</u>	<u>\$ 30,265,365</u>

OCRA's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$2,222,000). As part of its liquidity plan, excess cash is maintained in interest-bearing bank accounts at an FDIC insured institution and in investment accounts.

Note 12 - Subsequent Events

Subsequent to year end, in March 2021, OCRA was eligible and entered into an additional PPP Note with Chase Bank in the amount of \$403,500. This note has the same terms as described in Note 6.

OCRA believes that it is in compliance with the Program requirements, and it expects to receive full forgiveness of the additional PPP Note.