

OVARIAN CANCER RESEARCH ALLIANCE

Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018



OVARIAN CANCER RESEARCH ALLIANCE
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For the Years Ended December 31, 2019 and 2018

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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 statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

One Pennsylvania Plaza
Suite 3500
New York, New York 10119
212.695.5003

6720-A Rockledge Drive
Suite 510
Bethesda, Maryland 20817
240.200.1400

150 Clove Road
5th Floor
Little Falls, New Jersey 07424
973.812.0100

Buchbinder Tunick & Company LLP
Certified Public Accountants
buchbinder.com
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Opinion

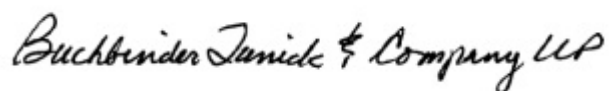
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ovarian Cancer Research Alliance as of December 31, 2019, and the changes in its net assets and its functional expenses and cash flows for the year then ended in 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 2019, OCRA adopted new accounting guidance ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

The prior year comparative information has been derived from the consolidated financial statements of Ovarian Cancer Research Alliance at December 31, 2018. These statements were audited by other auditors whose report, dated October 15, 2019, expressed an unmodified opinion on those consolidated financial statements.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
November 12, 2020

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 5,868,022	\$ 3,455,457
Investments at fair value	<u>23,641,752</u>	<u>24,232,637</u>
Receivables:		
Contributions receivable	882,847	2,013,892
Accrued interest	<u>31,310</u>	<u>35,083</u>
Total receivables	<u>914,157</u>	<u>2,048,975</u>
Prepaid expenses	563	42,787
Fixed assets, net of accumulated depreciation of \$175,083 and \$160,945 at December 31, 2019 and 2018, respectively	11,985	26,123
Security deposits	<u>12,195</u>	<u>12,195</u>
	<u>24,743</u>	<u>81,105</u>
Total assets	<u>\$ 30,448,674</u>	<u>\$ 29,818,174</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 138,545	\$ 130,880
Deferred event income	1,589	103,089
Deferred rent	226,942	258,968
Grants payable	<u>11,081,706</u>	<u>9,888,458</u>
Total liabilities	<u>11,448,782</u>	<u>10,381,395</u>
Net assets:		
Without donor restrictions	18,520,184	19,069,441
With donor restrictions	<u>479,708</u>	<u>367,338</u>
Total net assets	<u>18,999,892</u>	<u>19,436,779</u>
Total liabilities and net assets	<u>\$ 30,448,674</u>	<u>\$ 29,818,174</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Activities
For the years ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	\$ 5,304,088	\$ 234,441	\$ 5,538,529	\$ 5,433,709	\$ 272,599	\$ 5,706,308
Fundraising events:						
Fundraising events revenue	2,727,523	-	2,727,523	3,175,740	-	3,175,740
Less: cost of direct benefit to donors	(1,223,923)	-	(1,223,923)	(1,172,033)	-	(1,172,033)
Net fundraising events revenue	1,503,600	-	1,503,600	2,003,707	-	2,003,707
Conferences	266,127	110,000	376,127	31,820	397,330	429,150
Total contributions, net fundraising events revenue and conferences	7,073,815	344,441	7,418,256	7,469,236	669,929	8,139,165
Other revenue:						
Interest and dividend income, net of investment fees of \$58,222 and \$85,871 at December 31, 2019 and 2018, respectively	616,400	-	616,400	590,586	-	590,586
Contributed services	559,469	-	559,469	503,933	-	503,933
Gain on sales of investments	316,890	-	316,890	905,937	-	905,937
Unrealized gain (loss) in market value of investments	1,838,310	-	1,838,310	(2,734,194)	-	(2,734,194)
Total other revenue	3,331,069	-	3,331,069	(733,738)	-	(733,738)
Net assets released from restrictions	232,071	(232,071)	-	491,390	(491,390)	-
Total revenue and support	10,636,955	112,370	10,749,325	7,226,888	178,539	7,405,427
Expenses:						
Program services:						
Research	6,746,090	-	6,746,090	6,896,667	-	6,896,667
Conferences	633,745	-	633,745	607,043	-	607,043
Education, support and advocacy	1,653,173	-	1,653,173	1,694,054	-	1,694,054
Total program services	9,033,008	-	9,033,008	9,197,764	-	9,197,764
Supporting services:						
Fundraising	1,212,262	-	1,212,262	1,306,215	-	1,306,215
General and administrative	940,942	-	940,942	968,251	-	968,251
Total supporting services	2,153,204	-	2,153,204	2,274,466	-	2,274,466
Total expenses	11,186,212	-	11,186,212	11,472,230	-	11,472,230
Change in net assets	(549,257)	112,370	(436,887)	(4,245,342)	178,539	(4,066,803)
Net assets:						
Beginning of year	19,069,441	367,338	19,436,779	23,314,783	188,799	23,503,582
End of year	\$ 18,520,184	\$ 479,708	\$ 18,999,892	\$ 19,069,441	\$ 367,338	\$ 19,436,779

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Functional Expenses
For the years ended December 31, 2019 and 2018

	2019						2018					
	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	\$ 6,217,244	\$ -	\$ -	\$ -	\$ -	\$ 6,217,244	\$ 6,342,066	\$ -	\$ -	\$ -	\$ -	\$ 6,342,066
Support program grants	-	-	220,397	-	-	220,397	-	-	299,140	-	-	299,140
Conferences	-	368,709	-	-	-	368,709	-	309,141	-	-	-	309,141
Salaries	220,892	143,862	478,386	539,755	438,142	1,821,037	221,014	167,735	462,317	560,554	441,297	1,852,917
Payroll taxes	17,392	11,327	37,665	42,497	34,496	143,377	16,709	12,681	34,952	42,379	33,363	140,084
Employee benefits	47,196	30,738	102,213	115,325	93,614	389,086	43,587	33,079	91,175	110,548	87,029	365,418
Rent	48,092	31,321	104,152	117,513	95,391	396,469	64,091	48,641	134,065	162,550	127,968	537,315
Professional fees	134,504	-	146,511	-	83,103	364,118	128,568	3,568	143,184	94,384	49,204	418,908
Advertising	-	-	382,168	95,193	22,594	499,955	-	-	324,450	79,907	-	404,357
Internet and communications	40,857	39,718	44,656	97,880	61,997	285,108	35,043	23,449	49,203	99,820	42,314	249,829
Travel and entertainment	6,522	-	76,107	-	27,987	110,616	22,411	-	109,326	-	17,689	149,426
Printing	-	-	26,331	60,368	11,393	98,092	-	-	12,526	63,849	17,092	93,467
Postage	-	-	2,211	32,205	12,379	46,795	-	1,255	7,735	39,185	2,959	51,134
Office expense	5,810	3,784	12,583	14,198	11,525	47,900	5,415	4,110	11,328	13,735	10,813	45,401
Insurance	4,866	3,169	10,539	11,891	9,652	40,117	3,761	2,854	7,866	9,538	7,509	31,528
Credit card charges	-	-	-	57,725	-	57,725	-	-	-	-	87,582	87,582
Bank fees	-	-	-	-	12,915	12,915	-	-	-	-	11,447	11,447
Filing fees	-	-	-	-	13,254	13,254	-	-	-	-	18,711	18,711
Literature and materials	-	-	-	-	-	-	13,303	-	-	-	-	13,303
Miscellaneous	2,715	1,117	9,254	27,712	12,500	53,298	699	530	6,787	29,766	13,274	51,056
Total expenses	\$ 6,746,090	\$ 633,745	\$ 1,653,173	\$ 1,212,262	\$ 940,942	\$ 11,186,212	\$ 6,896,667	\$ 607,043	\$ 1,694,054	\$ 1,306,215	\$ 968,251	\$ 11,472,230
Percentage of total expenses	<u>60.30%</u>	<u>5.68%</u>	<u>14.78%</u>	<u>10.84%</u>	<u>8.41%</u>	<u>100.00%</u>	<u>60.12%</u>	<u>5.29%</u>	<u>14.77%</u>	<u>11.39%</u>	<u>8.44%</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, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (436,887)	\$ (4,066,803)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	14,138	5,861
(Gain) on sales of investments	(316,890)	(905,937)
Unrealized (gain) loss in market value of investments	(1,838,310)	2,734,194
(Increase) decrease in operating assets:		
Contributions receivable	1,131,045	(572,917)
Accrued interest receivable	3,773	8,350
Prepaid expenses	42,224	50,905
Security deposits	-	12,195
Increase (decrease) in operating liabilities:		
Accrued expenses	7,665	(92,641)
Deferred event income	(101,500)	43,341
Deferred rent	(32,026)	73,497
Grants payable	<u>1,193,248</u>	<u>19,584</u>
Net cash (used in) operating activities	<u>(333,520)</u>	<u>(2,690,371)</u>
Cash flows from investing activities:		
(Purchase of) investments	(5,164,537)	(18,622,995)
Proceeds from sale of investments	<u>7,910,622</u>	<u>17,187,525</u>
Net cash provided by (used in) investing activities	<u>2,746,085</u>	<u>(1,435,470)</u>
Net increase (decrease) in cash and cash equivalents	2,412,565	(4,125,841)
Cash and cash equivalents:		
Beginning of year	<u>3,455,457</u>	<u>7,581,298</u>
End of year	<u>\$ 5,868,022</u>	<u>\$ 3,455,457</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The 2018 summary information is for comparative purposes only. Our auditor's report does not include an opinion on that information.

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 two 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, 2019 and 2018.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

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, 2019.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

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.

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, 2019 and 2018, grants payable are expected to be paid within three years.

Subsequent to year end, OCRA made grant payments of approximately \$5,700,000 which were included in \$11,081,706 of "Grants payable" as of December 31, 2019.

Advertising Costs

Advertising costs are expensed as incurred.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

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 statement of activities and consolidated statement of 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 charges 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, 2019 and 2018. These contributed services have been recorded at their approximate fair value. Contributed services for the years ended December 31, 2019 and 2018 totaled \$559,469 and \$503,933, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

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, 2019, OCRA's Form 990s for the years 2016 through 2019 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 June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update provides guidance on distinguishing between contributions (nonreciprocal transactions) and exchange (reciprocal) transactions. It also systematizes the evaluation of the presence of conditions or donor-imposed restrictions on contributions. 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, 2019 and 2018

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

OCRA has evaluated subsequent events and transactions through November 12, 2020, 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 accounts 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% and 61% of contributions receivable for the years ended December 31, 2019 and 2018, respectively.

One donor represents approximately 12% and 10% of contribution revenue for the years ended December 31, 2019 and 2018, respectively.

Note 4 - Fixed Assets

Fixed assets at cost as of December 31, 2019 and 2018, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 187,068	\$ 187,068
Less: accumulated depreciation	<u>175,083</u>	<u>160,945</u>
Net fixed assets	<u>\$ 11,985</u>	<u>\$ 26,123</u>

Depreciation expense was \$14,138 and \$5,861 for the years ended December 31, 2019 and 2018, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

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, 2019 and 2018

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, 2019 and 2018.

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, 2019 and 2018

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>

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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, 2018:

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	\$ 2,454,927	\$ -	\$ 2,454,927	\$ -
Common stock, preferred stock and mutual funds:				
U.S. large cap	3,162,842	3,162,842	-	-
U.S. mid cap	595,418	595,418	-	-
International	2,498,594	2,498,594	-	-
Public real estate	841,618	841,618	-	-
U.S. fixed income:				
Total return	4,813,255	4,813,255	-	-
Other	6,328,771	6,328,771	-	-
Commodities	550,739	550,739	-	-
Various sectors	<u>2,986,473</u>	<u>2,986,473</u>	-	-
	<u>21,777,710</u>	<u>21,777,710</u>	-	-
 Total investments	 <u>\$24,232,637</u>	 <u>\$21,777,710</u>	 <u>\$ 2,454,927</u>	 <u>\$ -</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2019 and 2018, there were no significant transfers in or out of Levels 1, 2 or 3.

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Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

Note 6 - Net Assets with Donor Restrictions

As of December 31, 2019 and 2018, net assets with donor restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
Net assets with time restrictions:		
Conference	\$ 110,000	\$ 61,500
Conference Scholarships	-	50,000
Support Line	70,000	-
Advocate Leaders	30,000	45,000
General Time Restriction	15,000	15,000
Woman to Woman	15,000	28,500
Survivors Teaching Students	-	<u>15,000</u>
Total time-restricted net assets	<u>240,000</u>	<u>215,000</u>
Net assets with purpose restrictions:		
Ovarian Cancer Discovery Awards	60,000	-
Advocate Leaders	58,922	33,894
Advocate Conversations	6,384	6,384
Advocate Fellowships	13,267	8,826
Ask the Experts Education Series	-	10,000
Awareness Materials	25,000	25,000
Conference	-	2,215
Conference Scholarships	-	1,543
Congressional Briefing	16,864	11,864
Research Advocate	30,000	20,000
Woman to Woman	<u>29,271</u>	<u>32,612</u>
Total purpose-restricted net assets	<u>239,708</u>	<u>152,338</u>
Total net assets with donor restrictions	<u>\$ 479,708</u>	<u>\$ 367,338</u>

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Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

Note 7 - 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 lease are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2020	\$ 400,712
2021	412,562
2022	442,376
2023	453,506
2024	458,964
Thereafter	<u>1,194,212</u>
Total	<u>\$ 3,362,332</u>

Total rent expense for OCRA was \$396,469 and \$537,315 for the years ended December 31, 2019 and 2018, respectively.

Note 8 - 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 \$60,433 and \$63,381 for the years ended December 31, 2019 and 2018, respectively.

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Notes to Consolidated Financial Statements (Continued)
December 31, 2019 and 2018

Note 9 - Contingency

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

Note 10 - Availability and Liquidity

Financial assets consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 5,868,022	\$ 3,455,457
Investments	23,641,752	24,232,637
Contributions receivable	882,847	2,013,892
Accrued interest receivable	<u>31,310</u>	<u>35,083</u>
Total financial assets	<u>30,423,931</u>	<u>29,737,069</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	479,708	367,338
Less net assets with purpose restrictions to be met in less than a year	<u>(321,142)</u>	<u>(215,000)</u>
	<u>158,566</u>	<u>152,338</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 30,265,365</u>	<u>\$ 29,584,731</u>

OCRA's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$2,797,000). As part of its liquidity plan, excess cash is maintained in interest-bearing bank accounts at an FDIC insured institution and in investment accounts.