

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ovarian Cancer Research Alliance

Opinion

We have audited the accompanying consolidated financial statements of Ovarian Cancer Research Alliance ("OCRA") (a not-for-profit entity), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2022, OCRA adopted FASB ASU 2016-02, *Leases* (Topic 842). Our conclusion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ovarian Cancer Research Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ovarian Cancer Research Alliance's ability to continue as a going concern for a reasonable period of time.

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

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

New York, NY
November 9, 2023

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Assets:		
Cash and cash equivalents	\$ 6,487,176	\$ 6,610,546
Restricted cash	734,143	1,010,900
Total cash and cash equivalents and restricted cash	7,221,319	7,621,446
Investments at fair value	21,736,393	24,148,601
Restricted investments at fair value	286,386	-
Total investments	22,022,779	24,148,601
Receivables:		
Contributions receivable	6,857,210	848,522
Grant refunds receivable	-	299,125
Accrued interest	56,831	18,197
Total receivables	6,914,041	1,165,844
Prepaid expenses	72,866	17,669
Fixed assets, net of accumulated depreciation of \$208,841 and \$196,767 at December 31, 2022 and 2021, respectively	14,449	19,398
Right-of-use assets - operating leases	1,401,439	-
Security deposits	12,195	12,195
	1,500,949	49,262
Total assets	\$ 37,659,088	\$ 32,985,153
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 196,109	\$ 117,285
Deferred rent	-	257,235
Grants payable	13,020,131	11,447,177
Operating lease obligations	1,612,582	-
Total liabilities	14,828,822	11,821,697
Net assets:		
Without donor restrictions	20,549,351	19,067,330
With donor restrictions	2,280,915	2,096,126
Total net assets	22,830,266	21,163,456
Total liabilities and net assets	\$ 37,659,088	\$ 32,985,153

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Activities
For the years ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	\$ 13,202,976	\$ 636,770	\$ 13,839,746	\$ 8,121,469	\$ 1,353,099	\$ 9,474,568
Grants - government	-	-	-	403,500	-	403,500
Fundraising events:						
Fundraising events revenue	1,759,539	-	1,759,539	1,469,399	-	1,469,399
Less: cost of direct benefit to donors	(212,842)	-	(212,842)	(83,933)	-	(83,933)
Net fundraising events revenue	1,546,697	-	1,546,697	1,385,466	-	1,385,466
Conferences	21,366	262,480	283,846	187,487	123,666	311,153
Total contributions, grants - government, net fundraising events revenue and conferences	14,771,039	899,250	15,670,289	10,097,922	1,476,765	11,574,687
Other revenue:						
Interest and dividend income, net of investment fees of \$87,182 and \$89,397 at December 31, 2022 and 2021, respectively	623,044	-	623,044	452,734	-	452,734
Contributed services	583,342	-	583,342	641,938	-	641,938
Gain on sales of investments	45,425	-	45,425	971,383	-	971,383
Unrealized (loss) in market value of investments	(3,296,480)	-	(3,296,480)	(463,304)	-	(463,304)
Total other revenue	(2,044,669)	-	(2,044,669)	1,602,751	-	1,602,751
Net assets released from purpose restrictions	714,461	(714,461)	-	187,209	(187,209)	-
Total revenue and support	13,440,831	184,789	13,625,620	11,887,882	1,289,556	13,177,438
Expenses:						
Program services:						
Research	7,300,143	-	7,300,143	7,126,576	-	7,126,576
Conferences	532,402	-	532,402	611,340	-	611,340
Education, support and advocacy	1,789,378	-	1,789,378	1,688,336	-	1,688,336
Total program services	9,621,923	-	9,621,923	9,426,252	-	9,426,252
Supporting services:						
Fundraising	1,442,482	-	1,442,482	1,209,892	-	1,209,892
General and administrative	894,405	-	894,405	1,009,328	-	1,009,328
Total supporting services	2,336,887	-	2,336,887	2,219,220	-	2,219,220
Total expenses	11,958,810	-	11,958,810	11,645,472	-	11,645,472
Change in net assets	1,482,021	184,789	1,666,810	242,410	1,289,556	1,531,966
Net assets:						
Beginning of year	19,067,330	2,096,126	21,163,456	18,824,920	806,570	19,631,490
End of year	\$ 20,549,351	\$ 2,280,915	\$ 22,830,266	\$ 19,067,330	\$ 2,096,126	\$ 21,163,456

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Consolidated Statements of Functional Expenses
For the years ended December 31, 2022 and 2021

	2022						2021					
	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	\$ 6,673,567	\$ -	\$ -	\$ -	\$ -	\$ 6,673,567	\$ 6,584,901	\$ -	\$ -	\$ -	\$ -	\$ 6,584,901
Support program grants	-	-	20,000	-	-	20,000	-	-	161,050	-	-	161,050
Conferences	-	213,179	-	-	-	213,179	-	263,917	-	-	-	263,917
Salaries	257,862	176,159	649,086	664,432	413,918	2,161,457	234,366	203,507	531,619	521,854	461,700	1,953,046
Payroll taxes	18,793	12,838	47,305	48,424	30,167	157,527	17,652	15,328	40,040	39,304	34,774	147,098
Employee benefits	50,477	34,484	127,060	130,064	81,026	423,111	50,559	43,902	114,684	112,578	99,601	421,324
Lease expense	52,863	36,113	133,066	136,212	84,856	443,110	52,272	45,389	118,570	116,392	102,975	435,598
Professional fees	175,500	-	314,348	52,725	97,461	640,034	145,917	-	221,617	30,000	147,586	545,120
Advertising	-	-	389,075	94,517	6,374	489,966	-	-	427,651	107,232	956	535,839
Internet and communications	51,968	51,413	54,632	72,346	70,649	301,008	31,766	31,358	33,608	78,555	77,885	253,172
Travel and entertainment	6,338	-	2,819	-	1,257	10,414	-	-	642	-	821	1,463
Printing	750	-	9,546	68,187	17,312	95,795	-	-	8,256	62,970	7,916	79,142
Postage	-	-	730	32,735	26,900	60,365	-	-	1,387	35,364	7,104	43,855
Office expense	6,588	4,501	16,584	16,976	10,576	55,225	4,594	3,989	10,421	10,229	9,050	38,283
Insurance	3,997	2,731	10,062	10,299	6,416	33,505	3,251	2,823	7,374	7,239	6,406	27,093
Credit card fees	-	-	-	57,592	-	57,592	-	-	-	66,726	-	66,726
Bank fees	-	-	-	-	28,892	28,892	-	-	-	-	14,375	14,375
Filing fees	-	-	-	-	10,989	10,989	-	-	415	-	16,987	17,402
Miscellaneous	1,440	984	15,065	57,973	7,612	83,074	1,298	1,127	11,002	21,449	21,192	56,068
Total expenses	\$ 7,300,143	\$ 532,402	\$ 1,789,378	\$ 1,442,482	\$ 894,405	\$ 11,958,810	\$ 7,126,576	\$ 611,340	\$ 1,688,336	\$ 1,209,892	\$ 1,009,328	\$ 11,645,472
Percentage of total expenses	<u>61.05%</u>	<u>4.45%</u>	<u>14.96%</u>	<u>12.06%</u>	<u>7.48%</u>	<u>100.00%</u>	<u>61.20%</u>	<u>5.25%</u>	<u>14.50%</u>	<u>10.39%</u>	<u>8.67%</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,666,810	\$ 1,531,966
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,074	15,666
(Gain) on sales of investments	(45,425)	(971,383)
Unrealized loss in market value of investments	3,296,480	463,304
Amortization of right-of-use assets - operating leases	354,449	-
(Increase) decrease in operating assets:		
Contributions receivable	(6,008,688)	(206,721)
Grant refunds receivable	299,125	(299,125)
Accrued interest receivable	(38,634)	5,739
Prepaid expenses	(55,197)	58,703
Increase (decrease) in operating liabilities:		
Accrued expenses	78,824	53,977
Deferred rent	-	9,421
Grants payable	1,572,954	2,000,810
Operating lease liabilities	<u>(400,541)</u>	<u>-</u>
Net cash provided by operating activities	<u>732,231</u>	<u>2,662,357</u>
Cash flows from investing activities:		
(Purchase of) property and equipment	(7,125)	(29,097)
(Purchase of) investments	(14,367,544)	(10,661,594)
Proceeds from sale of investments	<u>13,242,311</u>	<u>10,065,969</u>
Net cash (used in) investing activities	<u>(1,132,358)</u>	<u>(624,722)</u>
Net (decrease) increase in cash and cash equivalents and restricted cash	(400,127)	2,037,635
Cash and cash equivalents and restricted cash:		
Beginning of year	<u>7,621,446</u>	<u>5,583,811</u>
End of year	<u>\$ 7,221,319</u>	<u>\$ 7,621,446</u>
Noncash investing and financing activities:		
Right-of-use assets - operating leases	<u>\$ 1,755,888</u>	<u>\$ -</u>
Lease liability - operating leases	<u>\$ 2,013,123</u>	<u>\$ -</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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 OCRF and its affiliate, OCNA. The entities have interrelated directors and share common facilities and personnel. Significant intercompany balances and transactions have been eliminated in consolidation.

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:

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 and Restricted Cash

Cash and cash equivalents include unrestricted 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, 2022 and 2021.

Amounts included in restricted cash represent those funds required to be set aside for the Edmée Firth Fund for Research in Ovarian Cancer ("EFFROC"). The restrictions are expected to lapse as related grant funds are paid out or annually until 2031, whichever occurs first.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

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, 2022 and 2021.

Grant Refunds Receivable

Grant funds that were issued to a grantee but not expended by the grantee must be returned to OCRA when the research project is terminated or completed or when the grant period ends. All grant refunds receivable are expected to be collected within one year.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021, grants payable are expected to be paid within three years. The discount to net present value for the year ended December 31, 2022, is \$214,533. Grants payable are discounted at a rate of 2%.

Subsequent to year end, OCRA made grant payments of approximately \$5,721,000 which were included in \$13,020,131 of "Grants payable" as of December 31, 2022.

Advertising Costs

Advertising costs are expensed as incurred.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

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
Lease expense	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) require 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, 2022 and 2021. These contributed services have been recorded at their approximate fair value. Contributed services for the years ended December 31, 2022 and 2021 totaled \$583,342 and \$641,938, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Leases

OCRA determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be a lease or contain a lease if the contract conveys the right to control the use of the identified property, plant, or equipment in exchange for consideration. OCRA determines these assets are leased because OCRA has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because OCRA determines it does not have the right to control and direct the use of the identified asset. OCRA's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, OCRA separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right of use (ROU) assets and lease liabilities for its leased space. OCRA has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. OCRA determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. OCRA uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, OCRA uses the Applicable Federal Rate to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that OCRA is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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, 2022, OCRA's Form 990s for the years 2019 through 2022 remain eligible for examination by the IRS.

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

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires the recognition of a "right-to-use" asset and a lease liability, initially measured at the present value of lease payments, on all of OCRA's lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. OCRA evaluated its leases and determined that they are operating leases. OCRA elected to adopt the practical expedient that permits organizations to maintain the operating lease classification of expired and existing leases that were classified as such under Topic 840 if the lease commencement date is prior to the adoption of Topic 842. OCRA elected to adopt the practical expedient to combine lease and non-lease components as a single lease component. OCRA adopted this standard as of January 1, 2022. The ASU has been applied on a modified retrospective transition method.

Subsequent Events

OCRA has evaluated subsequent events and transactions through November 9, 2023, the date that the consolidated financial statements were available to be issued.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 3 - Concentrations of Credit Risk

Financial instruments that subject OCRA to concentrations of credit risk include cash and cash equivalents and restricted 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.

One donor represents approximately 87% and two donors represent approximately 44% of contributions receivable for the years ended December 31, 2022 and 2021, respectively. One donor represents approximately 43% and three donors represent approximately 32% of contribution revenue for the years ended December 31, 2022 and 2021, respectively.

One grantee represents approximately 95% of grant refunds receivable for the year ended December 31, 2021.

Note 4 - Fixed Assets

Fixed assets at cost as of December 31, 2022 and 2021, are summarized as follows:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 223,290	\$ 216,165
Less: accumulated depreciation	<u>208,841</u>	<u>196,767</u>
Fixed assets, net	<u>\$ 14,449</u>	<u>\$ 19,398</u>

Depreciation expense was \$12,074 and \$15,666 for the years ended December 31, 2022 and 2021, respectively.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021

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, 2022:

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	\$ 1,880,419	\$ -	\$ 1,880,419	\$ -
Common and preferred stocks and registered investment companies:				
U.S. large cap	3,980,348	3,980,348	-	-
U.S. mid cap	13,044	13,044	-	-
International	2,570,926	2,570,926	-	-
U.S. fixed income:				
Total return	1,930,199	1,930,199	-	-
Other	9,500,162	9,500,162	-	-
Global fixed income	62,265	62,265	-	-
Balanced	391,459	391,459	-	-
Various sectors	<u>1,693,957</u>	<u>1,693,957</u>	-	-
	<u>20,142,360</u>	<u>20,142,360</u>	-	-
 Total investments	 <u>\$ 22,022,779</u>	 <u>\$ 20,142,360</u>	 <u>\$ 1,880,419</u>	 <u>\$ -</u>

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

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, 2021:

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	\$ 2,064,379	\$ -	\$ 2,064,379	\$ -
Common and preferred stocks and registered investment companies:				
U.S. large cap	4,734,643	4,734,643	-	-
International	3,106,921	3,106,921	-	-
U.S. fixed income:				
Total return	2,295,204	2,295,204	-	-
Other	9,529,369	9,529,369	-	-
Global fixed income	39,373	39,373	-	-
Balanced	343,434	343,434	-	-
Various sectors	<u>2,035,278</u>	<u>2,035,278</u>	-	-
	<u>22,084,222</u>	<u>22,084,222</u>	-	-
Total investments	<u>\$ 24,148,601</u>	<u>\$ 22,084,222</u>	<u>\$ 2,064,379</u>	<u>\$ -</u>

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 6 - Grants - Government - Paycheck Protection Program Loan

In April 2020, OCRA entered into a Paycheck Protection Program Term Note (the “PPP Note”) with Chase Bank in the amount of \$402,581. In March 2021, OCRA entered into a second PPP Note with Chase Bank in the amount of \$403,500. The PPP Notes were 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 Notes may be forgiven in accordance with the Program requirements. OCRA has used all of the proceeds of the PPP Notes to pay its qualified expenses, as defined in the SBA PPP loan requirements, and substantially met all conditions. In June 2021 and December 2021, OCRA submitted its applications for forgiveness of the first and second PPP Notes, respectively.

On January 6, 2022, the \$403,500 loan under the Program was forgiven and is shown in the consolidated statements of activities as “Grants – government” for the year ended December 31, 2021.

On July 6, 2021, the \$402,581 loan under the Program was forgiven.

Consequently, OCRA has elected to recognize the entire loan balances 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.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 7 - Net Assets with Donor Restrictions

As of December 31, 2022 and 2021, net assets with donor restrictions consist of the following:

	<u>2022</u>	<u>2021</u>
Net assets with time and purpose restrictions:		
Awareness and Education Campaigns	\$ -	\$ 50,000
General Time Restriction	105,000	180,000
Survivors Teaching Students	-	25,000
Virtual Support Groups	-	25,000
Woman to Woman	<u>-</u>	<u>25,000</u>
Total net assets with time and purpose restrictions	<u>105,000</u>	<u>305,000</u>
Net assets with purpose restrictions:		
Advocate Leaders	172,899	123,109
Awareness and Education Campaigns	266,454	113,954
Conference	366,014	316,714
Congressional Briefing	16,864	16,864
Edmée Firth Fund for Research in Ovarian Cancer	1,113,060	1,054,581
Patient Support Programs	86,825	125,904
Research Advocate	50,000	40,000
Woman to Woman	<u>103,799</u>	<u>-</u>
Total net assets with purpose restrictions	<u>2,175,915</u>	<u>1,791,126</u>
Total net assets with donor restrictions	<u>\$ 2,280,915</u>	<u>\$2,096,126</u>

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 8 - Leases

Operating Leases

OCRA has two operating leases for office space in New York, New York and Washington, DC. The leases expire in November 2027 and November 2024, respectively. The operating leases include a base fee which increases annually and variable payments for real estate taxes. The leases are noncancelable unless there is a violation under the lease agreement.

For the year ended December 31, 2022, the base lease cost was \$428,859, real estate taxes were \$34,231, and the straight-line adjustment was \$(19,980), for a total lease expense of \$443,110.

The weighted average operating lease term is 5 years. The rate implicit in the operating lease cannot be determined so OCRA uses the Applicable Federal Rate, a risk-free rate. The weighted average interest rate is 2.5%.

The maturity analysis and reconciliation to the consolidated statement of financial position at December 31, 2022, are as follows:

<u>Years Ending December 31:</u>	<u>Operating Lease</u>
2023	\$ 408,145
2024	443,956
2025	388,986
2026	398,711
2027	<u>373,842</u>
Total future undiscounted lease payments	2,013,640
Less present value discount	<u>(401,058)</u>
Operating lease liabilities	<u>\$ 1,612,582</u>

Short-Term Lease

The Company leased a storage unit under an agreement that was classified as a short-term lease. Total cost for the short-term lease was \$9,245 for the year ended December 31, 2022 and is included in office expense.

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 9 - Commitments

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. At December 31, 2021, minimum future rental payments under the non-cancellable operating leases were as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 442,376
2023	453,506
2024	458,964
2025	404,445
2026	414,633
Thereafter	<u>375,134</u>
Total	<u>\$ 2,549,058</u>

Total rent expense for OCRA was \$435,598 for the year ended December 31, 2021.

Note 10 - 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 \$61,175 and \$66,929 for the years ended December 31, 2022 and 2021, respectively.

Note 11 - Contingency

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

OVARIAN CANCER RESEARCH ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2022 and 2021

Note 12 - Availability and Liquidity

Financial assets consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 6,487,176	\$ 6,610,546
Investments	21,736,393	24,148,601
Contributions receivable	6,857,210	848,522
Grant refunds receivable	-	299,125
Accrued interest receivable	<u>56,831</u>	<u>18,197</u>
Total financial assets	<u>35,137,610</u>	<u>31,924,991</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,280,915	2,276,831
Less net assets with purpose restrictions to be met in less than a year	<u>(654,196)</u>	<u>(868,398)</u>
	<u>1,626,719</u>	<u>1,408,433</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 33,510,891</u>	<u>\$ 30,516,558</u>

OCRA's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$2,990,000). As part of its liquidity plan, excess cash is maintained in interest-bearing bank accounts at an FDIC insured institution and in investment accounts.