

**THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
The Ovarian Cancer Research Fund, Inc.
(D/B/A Ovarian Cancer Research Alliance)
New York, New York

We have audited the accompanying consolidated financial statements of The Ovarian Cancer Research Fund, Inc. (d/b/a Ovarian Cancer Research Alliance ("OCRA")), which comprise the consolidated statement of financial position at December 31, 2018, 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 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.

Auditors' 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 of 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Ovarian Cancer Research Fund, Inc. (d/b/a Ovarian Cancer Research Alliance) at December 31, 2018, and the changes in its net assets 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, The Ovarian Cancer Research Fund, Inc. (d/b/a Ovarian Cancer Research Alliance) adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. Our opinion is not modified with respect to this matter.

Report on Prior Year Comparative Information

The prior year comparative information has been derived from the consolidated financial statements of The Ovarian Cancer Research Fund, Inc. (d/b/a Ovarian Cancer Research Fund Alliance) at December 31, 2017. These statements were audited by other auditors whose report dated August 24, 2018, expressed an unmodified opinion on those audited consolidated financial statements.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
October 15, 2019

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,455,457	\$ 7,581,298
Investments	24,232,637	24,625,424
Accrued interest receivable	35,083	43,433
Contributions receivable	2,013,892	1,440,975
Prepaid expenses	42,787	93,692
Fixed assets, net	26,123	31,984
Security deposits	12,195	24,390
	<u>\$ 29,818,174</u>	<u>\$ 33,841,196</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 130,880	\$ 223,521
Deferred event income	103,089	59,748
Deferred rent	258,968	185,471
Grants payable	9,888,458	9,868,874
	<u>10,381,395</u>	<u>10,337,614</u>
Net assets:		
Without donor restrictions	19,069,441	23,314,783
With donor restrictions	367,338	188,799
	<u>19,436,779</u>	<u>23,503,582</u>
TOTAL NET ASSETS	<u>\$ 29,818,174</u>	<u>\$ 33,841,196</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 29,818,174</u>	<u>\$ 33,841,196</u>

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

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, losses and other support:						
Contributions	\$ 5,433,709	\$ 272,599	\$ 5,706,308	\$ 6,386,974	\$ 139,852	\$ 6,526,826
Fundraising events revenue	3,175,740	-	3,175,740	4,388,685	-	4,388,685
Less: direct cost of special events	(1,172,033)	-	(1,172,033)	(1,608,966)	-	(1,608,966)
Conferences	31,820	397,330	429,150	229,380	50,000	279,380
Investment (loss) income, net	(1,237,671)	-	(1,237,671)	3,092,021	-	3,092,021
Contributed services	503,933	-	503,933	539,382	-	539,382
Net assets released from restrictions	491,390	(491,390)	-	283,192	(283,192)	-
Total revenue gains, losses and other support	7,226,888	178,539	7,405,427	13,310,668	(93,340)	13,217,328
Expenses:						
Program services:						
Research	6,896,667	-	6,896,667	6,895,447	-	6,895,447
Conferences	607,043	-	607,043	600,520	-	600,520
Education, support and advocacy	1,694,054	-	1,694,054	1,618,046	-	1,618,046
Total program services	9,197,764	-	9,197,764	9,114,013	-	9,114,013
Supporting services:						
General and administrative	968,251	-	968,251	910,485	-	910,485
Fundraising	1,306,215	-	1,306,215	1,392,643	-	1,392,643
Total supporting services	2,274,466	-	2,274,466	2,303,128	-	2,303,128
Total expenses	11,472,230	-	11,472,230	11,417,141	-	11,417,141
Change in net assets	(4,245,342)	178,539	(4,066,803)	1,893,527	(93,340)	1,800,187
Net assets, beginning of year	23,314,783	188,799	23,503,582	21,421,256	282,139	21,703,395
Net assets, end of year	\$ 19,069,441	\$ 367,338	\$ 19,436,779	\$ 23,314,783	\$ 188,799	\$ 23,503,582

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

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Total
	Research	Conferences	Education, Support and Advocacy	General and Administrative	Fundraising	Direct Cost of Special Events	
Research grants and allocations	\$ 6,342,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,342,066
Support program grants	-	-	299,140	-	-	-	299,140
Conferences	-	309,141	-	-	-	-	309,141
Salaries	221,014	167,735	462,317	441,297	560,554	788	1,853,705
Payroll taxes	16,709	12,681	34,952	33,363	42,379	-	140,084
Employee benefits	43,587	33,079	91,175	87,029	110,548	-	365,418
Rent	64,091	48,641	134,065	127,968	162,550	-	537,315
Insurance	3,761	2,854	7,866	7,509	9,538	-	31,528
Office expense	5,415	4,110	11,328	10,813	13,735	-	45,401
Credit card charges	-	-	-	87,582	-	-	87,582
Bank fees	-	-	-	11,447	-	-	11,447
Professional fees	128,568	3,568	143,184	49,204	94,384	118,425	537,333
Filing fees	-	-	-	18,711	-	-	18,711
Advertising	-	-	324,450	-	79,907	-	404,357
Event rental, setup, and catering	-	-	-	-	-	999,315	999,315
Internet and communications	35,043	23,449	49,203	42,314	99,820	203	250,032
Printing	-	-	12,526	17,092	63,849	-	93,467
Postage	-	1,255	7,735	2,959	39,185	-	51,134
Travel and entertainment	22,411	-	109,326	17,689	-	21,168	170,594
Literature and material	13,303	-	-	-	-	31,334	44,637
Miscellaneous	699	530	6,787	13,274	29,766	800	51,856
Total expenses	6,896,667	607,043	1,694,054	968,251	1,306,215	1,172,033	12,644,263
Less expenses deducted directly from revenues:							
Direct cost of special events	-	-	-	-	-	(1,172,033)	(1,172,033)
Total expenses reported by function on the statement of activities	\$ 6,896,667	\$ 607,043	\$ 1,694,054	\$ 968,251	\$ 1,306,215	\$ -	\$ 11,472,230

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

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services			Total
	Research	Conferences	Education, Support and Advocacy	General and Administrative	Fundraising	Direct Cost of Special Events	
Research grants and allocations	\$ 6,418,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,418,182
Support program grants	-	-	348,000	-	-	-	348,000
Conferences	-	322,423	-	-	-	-	322,423
Salaries	201,420	154,381	401,248	423,706	587,636	-	1,768,391
Payroll taxes	17,331	13,283	34,525	36,458	50,562	-	152,159
Employee benefits	34,956	26,792	69,635	73,533	101,982	-	306,898
Temporary help	-	-	-	31,302	23,474	-	54,776
Rent	54,135	41,492	107,842	113,878	157,937	-	475,284
Insurance	1,837	1,408	3,659	3,864	5,359	-	16,127
Office expense	4,291	3,289	8,549	9,028	12,520	-	37,677
Credit card charges	-	-	-	-	107,497	-	107,497
Professional fees	110,200	-	124,861	73,658	105,295	-	414,014
Filing fees	-	-	-	17,681	-	-	17,681
Advertising	-	-	362,320	32,392	90,631	29,466	514,809
Event rental, setup, and catering	-	-	-	-	-	1,565,617	1,565,617
Internet and communications	36,937	36,243	39,882	32,773	38,408	19	184,262
Printing	-	-	12,526	17,092	63,849	-	93,467
Postage	-	-	37,603	-	37,603	-	75,206
Travel and entertainment	12,269	-	55,340	31,214	2,618	13,864	115,305
Video and books	2,312	-	-	-	-	-	2,312
Miscellaneous	1,577	1,209	12,056	13,906	7,272	-	36,020
Total expenses	6,895,447	600,520	1,618,046	910,485	1,392,643	1,608,966	13,026,107
Less expenses deducted directly from revenues:							
Direct cost of special events	-	-	-	-	-	(1,608,966)	(1,608,966)
Total expenses reported by function on the statement of activities	\$ 6,895,447	\$ 600,520	\$ 1,618,046	\$ 910,485	\$ 1,392,643	\$ -	\$11,417,141

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

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (4,066,803)	\$ 1,800,187
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,861	13,849
Gain on sales of investments	(905,937)	(1,238,997)
Unrealized loss (gain)	2,734,194	(1,323,088)
(Increase) decrease in operating assets:		
Accrued interest receivable	8,350	9,752
Contributions receivable	(572,917)	115,568
Prepaid expenses	50,905	26,948
Security deposits	12,195	99,954
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(92,641)	120,066
Deferred event income	43,341	(12,093)
Deferred rent	73,497	158,169
Grants payable	19,584	(484,849)
	<u>(2,690,371)</u>	<u>(714,534)</u>
Net cash used in operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	-	(29,301)
Purchase of investments	(18,622,995)	(9,258,746)
Proceeds from sale of investments	17,187,525	9,592,824
	<u>(1,435,470)</u>	<u>304,777</u>
Net cash (used in) provided by investing activities		
Net change in cash and cash equivalents	(4,125,841)	(409,757)
Cash and cash equivalents, beginning of year	<u>7,581,298</u>	<u>7,991,055</u>
Cash and cash equivalents, end of year	<u>\$ 3,455,457</u>	<u>\$ 7,581,298</u>

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

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 - Nature of Purpose of Organization

The Ovarian Cancer Research Fund, Inc. (the "Organization") is a corporation which was organized in the State of New York as a not-for-profit entity on December 8, 1994. On January 1, 2016, the operations of the Ovarian Cancer National Alliance ("OCNA") were consolidated with the Organization. On October 3, 2018, the Organization executed a D/B/A and assumed the name, Ovarian Cancer Research Alliance ("OCRA") to represent one full-spectrum organization for research, funding, advocacy, and patient support.

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.

OCRA has been classified by the Internal Revenue Service as a Section 501(c)(3) organization and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code.

Note 2 - Summary of Significant Accounting Policies

Adoption of FASB ASU No. 2016-14 - Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities

Effective January 1, 2018, OCRA adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. The ASU provided for changes in financial statement presentation that affect classification of net assets and presentation of expenses. It also provided for enhanced disclosures of net assets, methods used to allocate costs among functions, as well as available resources and liquidity.

Principles of Consolidation

The consolidated financial statements include the financial position, changes in net assets, functional expenses and cash flows of OCRA and OCNA (collectively "OCRA"). Intercompany transactions and balances were eliminated.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Fair Value of Financial Instruments

Fair value is defined as 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. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting OCRA's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At December 31, 2018, the cost basis of OCRA's financial instruments, including cash and cash equivalents, contributions receivable, accrued interest receivable, accounts payable and accrued expenses, and grants payable, approximated fair value due to the short maturity of these instruments.

Refer to Note 5 - Fair Value Measurements for assets measured at fair value.

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. All contributions receivable are expected to be paid within one year.

Contribution Revenue

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as without donor restrictions if they are received without any donor stipulations. Gifts are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contribution Revenue (cont'd.)

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions that originate in a given year and are released from restriction in the same year by meeting the donors' restricted purposes are reflected in net assets without donor restrictions.

Allowance for Doubtful Accounts

OCRA determines whether an allowance for uncollectibles should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. OCRA has determined that there is no need for an allowance for doubtful accounts at December 31, 2018.

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 between three and 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

Grant distributions authorized but unpaid at year-end are reported as liabilities.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions include purpose restricted net assets whose use has been restricted by donors to a specific time period or purpose.

Functional Reporting

The costs of providing OCRA's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses such as salaries, payroll taxes and employee benefits are allocated on a time and effort basis. Expenses such as research grants and allocations, support program grants, and conferences are directly charged to program expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributed Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed services are recognized in the accompanying consolidated statement of activities and are recorded at their fair value on the date of contribution.

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 rent expense.

Accounting for Uncertainty in Income Taxes

OCRA applies the provisions pertaining to uncertain tax provisions of FASB Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

OCRA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. OCRA believes it is no longer subject to income tax examinations for tax periods prior to 2015.

Reclassifications

Certain accounts relating to the prior year 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

ASU No. 2018-08

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which will assist organizations in evaluating the transfer of assets and the nature of the related transaction. Organizations will be required to determine whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and if a contribution is conditional.

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2018-08 (cont'd.)

The guidance in this ASU requires that organizations determine whether a contribution is conditional based on whether an agreement includes (i) a barrier that must be overcome and (ii) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both indicates that the recipient is not entitled to the transferred assets or a future transfer of assets until it has overcome any barriers in the agreement.

For OCRA, the amendments of ASU No. 2018-08 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted.

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards ("IFRS").

The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases*.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For OCRA, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early application is permitted for all entities.

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and IASB to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

THE OVARIAN CANCER RESEARCH FUND, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncements (cont'd.)

ASU No. 2014-09 (cont'd.)

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity should apply the following five-step process to recognize revenue:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For OCRA, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted under certain circumstances.

OCRA has not yet determined if these ASUs will have a material effect on its financial statements.

Note 3 - Concentrations of Credit Risk

OCRA maintains cash balances in several financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, OCRA's balances may exceed these limits. OCRA has not experienced any losses in these accounts.

At December 31, 2018, approximately 61% of OCRA's contributions receivable were from two donors, and approximately 10% of the total contribution revenue recognized was from one donor for the year ended December 31, 2018.

Approximately 20% of the total contribution revenue recognized was from one donor for the year ended December 31, 2017.

THE OVARIAN CANCER RESEARCH FUND, INC.
(D/B/A OVARIAN CANCER RESEARCH ALLIANCE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 4 - Fixed Assets

Fixed assets at cost as of December 31, 2018 and 2017, are summarized as follows:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 187,068	\$ 187,068
Less: Accumulated depreciation	<u>160,945</u>	<u>155,084</u>
Net fixed assets	<u>\$ 26,123</u>	<u>\$ 31,984</u>

Depreciation expense was \$5,861 and \$13,849 for the years ended December 31, 2018 and 2017, respectively.

Note 5 - Fair Value Measurements

OCRA measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect OCRA's own assumptions of market participant valuation (unobservable inputs).

Items Measured at Fair Value on a Recurring Basis

Investments are stated at fair value using Level 1 inputs based on quoted market prices of identical securities. Assets using Level 2 inputs consist of corporate bonds. The fair value of the bonds is estimated using recently executed transactions in securities of the issuer or comparable issuers with comparable terms, market price quotations (where observable), bond spreads and fundamental data relating to the issuer.

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Note 5 - Fair Value Measurements (cont'd.)

The following table presents OCRA's assets that are measured at fair value on a recurring basis at December 31, 2018 and 2017:

	At December 31, 2018			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Equities	\$ 6,256,853	\$ 6,256,853	\$ -	\$ -
Mutual funds	15,520,857	15,520,857	-	-
Corporate bonds	2,454,927	-	2,454,927	-
Total assets measured at fair value	\$ 24,232,637	\$ 21,777,710	\$ 2,454,927	\$ -
	At December 31, 2017			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Equities	\$ 7,406,427	\$ 7,406,427	\$ -	\$ -
Mutual funds	14,708,824	14,708,824	-	-
Corporate bonds	2,510,173	-	2,510,173	-
Total assets measured at fair value	\$ 24,625,424	\$ 22,115,251	\$ 2,510,173	\$ -

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Conferences	\$ 115,258	\$ 27,069
Advocate Leaders	78,894	62,540
Advocate Conversations	6,384	6,384
Ask the Experts Education Series	10,000	10,000
Woman to Woman	61,112	23,677
General time restrictions	15,000	15,000
Survivors Teaching Students	15,000	20,038
Research Advocate	20,000	-
Awareness Materials	25,000	-
Other/Congressional Briefing/Policy & Advocacy	11,864	6,864
Advocate Fellowships	8,826	17,227
	\$ 367,338	\$ 188,799

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Note 6 - Net Assets with Donor Restrictions (cont'd.)

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following:

	<u>2018</u>	<u>2017</u>
Conferences	\$ 309,141	\$ 162,051
Advocate Leaders	58,646	30,479
Advocate Conversations	-	3,616
Policy and Advocacy	-	3,136
Woman to Woman	16,065	11,323
Webinar/Symposium	10,000	5,000
Survivors Teaching Students	55,038	39,962
Advocate Fellowships	42,500	27,625
	<u>\$ 491,390</u>	<u>\$ 283,192</u>

Note 7 - Lease Agreements

OCRA rents office space in two locations, with original lease terms of five years (DC) and ten years (NYC), which expire in July 2019 and November 2026, respectively. Additionally, OCRA leases office equipment with lease payments through March 2024. Subsequent to year-end, OCRA extended its DC office lease for an additional five years to 2024.

Rent expense was \$537,315 and \$475,284 for the years ended December 31, 2018 and 2017, respectively. The leases are amortized on the straight-line basis over the lease term. The commitments are as follows:

<u>Years Ending December 31:</u>	
2019	\$ 423,809
2020	401,667
2021	413,506
2022	443,308
2023	454,425
Thereafter	<u>1,430,699</u>
	<u>\$ 3,567,414</u>

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 of eligible compensation as determined by OCRA prior to the end of each year. OCRA made contributions of \$63,381 and \$53,333 for the years ended December 31, 2018 and 2017, respectively.

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Note 9 - Available Resources and Liquidity

As of December 31, 2018, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

Cash and cash equivalents	\$ 3,455,457
Accrued interest receivable	35,083
Contributions receivable, net	2,013,892
Investments	<u>24,232,637</u>
Total financial assets	29,737,069
Less: Contractual or donor-imposed restrictions:	
Donor's restrictions	<u>(367,338)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 29,369,731</u>

OCRA typically receives contributions monthly, thereby providing a steady inflow of funds during the year. OCRA's expenditures are not subject to significant seasonal fluctuations.

OCRA manages its liquidity and financial resources with a level of prudence that emphasizes financial soundness and stability in order to maintain adequate liquid assets to fund near-term operating needs.

Note 10 - Subsequent Events

OCRA has evaluated all events or transactions that occurred after December 31, 2018 through October 15, 2019, the date that these financial statements were available to be issued. Subsequent to year-end, OCRA made grant payments of approximately \$5,364,000 on the \$9,888,458 of "Grants payable" reported as of December 31, 2018. Outside of the aforementioned, there were no other material subsequent events requiring disclosure.