

OVARIAN CANCER RESEARCH FUND ALLIANCE

Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016



OVARIAN CANCER RESEARCH FUND ALLIANCE
For the Years Ended December 31, 2017 and 2016

INDEX

	<u>Page</u>
Independent Auditor's Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-20



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ovarian Cancer Research Fund Alliance

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ovarian Cancer Research Fund Alliance ("OCRFA"), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ovarian Cancer Research Fund Alliance as of December 31, 2017 and 2016, 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.

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

New York, NY
August 24, 2018

OVARIAN CANCER RESEARCH FUND ALLIANCE
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 7,581,298	\$ 7,991,055
Investments at fair value	<u>24,625,424</u>	<u>22,397,417</u>
Receivables:		
Contributions receivable	1,440,975	1,556,543
Accrued interest	<u>43,433</u>	<u>53,185</u>
Total receivables	<u>1,484,408</u>	<u>1,609,728</u>
Prepaid expenses	93,692	120,640
Fixed assets, net of accumulated depreciation of \$155,084 and \$141,235 at December 31, 2017 and 2016, respectively	31,984	16,532
Security deposits	<u>24,390</u>	<u>124,344</u>
	<u>150,066</u>	<u>261,516</u>
Total assets	<u>\$ 33,841,196</u>	<u>\$ 32,259,716</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 223,521	\$ 103,455
Deferred event income	59,748	71,841
Deferred rent credit	185,471	27,302
Grants payable	<u>9,868,874</u>	<u>10,353,723</u>
Total liabilities	<u>10,337,614</u>	<u>10,556,321</u>
Net assets:		
Unrestricted	23,314,783	21,421,256
Temporarily restricted	<u>188,799</u>	<u>282,139</u>
Total net assets	<u>23,503,582</u>	<u>21,703,395</u>
Total liabilities and net assets	<u>\$ 33,841,196</u>	<u>\$ 32,259,716</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Consolidated Statements of Activities
For the years ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 6,386,974	\$ 139,852	\$ 6,526,826	\$ 7,927,805	\$ 105,000	\$ 8,032,805
Fundraising events:						
Fundraising events revenue	4,388,685	-	4,388,685	5,138,297	-	5,138,297
Less: cost of direct benefit to donors	(1,789,724)	-	(1,789,724)	(2,897,216)	-	(2,897,216)
Net fundraising events revenue	2,598,961	-	2,598,961	2,241,081	-	2,241,081
Conferences	229,380	50,000	279,380	160,117	138,500	298,617
Membership dues	-	-	-	37,775	-	37,775
Total contributions, net fundraising events revenue, conferences and membership dues	9,215,315	189,852	9,405,167	10,366,778	243,500	10,610,278
Other revenue:						
Interest and dividend income	638,112	-	638,112	580,789	-	580,789
Contributed services	539,382	-	539,382	600,967	-	600,967
Gain on sales of investments	1,238,997	-	1,238,997	64,897	-	64,897
Unrealized gain in market value of investments	1,323,088	-	1,323,088	984,502	-	984,502
Total other revenue	3,739,579	-	3,739,579	2,231,155	-	2,231,155
Net assets released from restrictions	283,192	(283,192)	-	309,381	(309,381)	-
Total revenue and support	13,238,086	(93,340)	13,144,746	12,907,314	(65,881)	12,841,433
Expenses:						
Program services:						
Research	6,895,447	-	6,895,447	7,024,091	-	7,024,091
Conferences	600,520	-	600,520	559,823	-	559,823
Education, support and advocacy	1,618,046	-	1,618,046	1,682,654	-	1,682,654
Total program services	9,114,013	-	9,114,013	9,266,568	-	9,266,568
Supporting services:						
Fundraising	1,211,885	-	1,211,885	1,051,756	-	1,051,756
General and administrative	1,018,661	-	1,018,661	949,160	-	949,160
Total supporting services	2,230,546	-	2,230,546	2,000,916	-	2,000,916
Total expenses	11,344,559	-	11,344,559	11,267,484	-	11,267,484
Change in net assets	1,893,527	(93,340)	1,800,187	1,639,830	(65,881)	1,573,949
Net assets:						
Beginning of year	21,421,256	282,139	21,703,395	19,136,811	-	19,136,811
Transfer from merger:						
Unrestricted	-	-	-	644,615	-	644,615
Temporarily restricted	-	-	-	-	348,020	348,020
End of year	\$ 23,314,783	\$ 188,799	\$ 23,503,582	\$ 21,421,256	\$ 282,139	\$ 21,703,395

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Consolidated Statements of Functional Expenses
For the years ended December 31, 2017 and 2016

	2017						2016					
	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	\$ 6,418,182	\$ -	\$ -	\$ -	\$ -	\$ 6,418,182	\$ 6,636,887	\$ -	\$ -	\$ -	\$ -	\$ 6,636,887
Support program grants	-	-	348,000	-	-	348,000	-	-	369,000	-	-	369,000
Conferences	-	322,423	-	-	-	322,423	-	172,266	-	-	-	172,266
Salaries	201,420	154,381	401,248	587,636	423,706	1,768,391	143,464	209,238	407,673	493,784	334,591	1,588,750
Payroll taxes	17,331	13,283	34,525	50,562	36,458	152,159	11,405	16,633	32,408	39,253	26,597	126,296
Employee benefits	34,956	26,792	69,635	101,982	73,533	306,898	24,858	36,255	70,638	85,558	57,974	275,283
Temporary help	-	-	-	23,474	31,302	54,776	-	-	-	9,516	39,631	49,147
Rent	54,135	41,492	107,842	157,937	113,878	475,284	24,254	35,374	68,922	83,480	56,567	268,597
Insurance	1,837	1,408	3,659	5,359	3,864	16,127	2,560	3,734	7,276	8,812	5,972	28,354
Office expense	4,291	3,289	8,549	12,520	9,028	37,677	5,065	7,387	14,393	17,433	11,814	56,092
Credit card charges	-	-	-	32,034	-	32,034	-	115	-	42,965	-	43,080
Investment fees	-	-	-	-	108,176	108,176	-	-	-	-	99,141	99,141
Professional fees	110,200	-	124,861	-	73,658	308,719	111,000	960	134,143	866	140,673	387,642
Filing fees	-	-	-	-	17,681	17,681	-	-	-	-	19,167	19,167
Advertising	-	-	362,320	90,631	32,392	485,343	-	791	407,278	102,013	10,659	520,741
Internet and communications	36,937	36,243	39,882	38,408	32,773	184,243	33,214	34,598	36,780	112,435	44,329	261,356
Printing	-	-	12,526	63,849	17,092	93,467	-	8,302	325	19,536	18,228	46,391
Postage	-	-	37,603	37,603	-	75,206	-	1,071	28,168	28,167	-	57,406
Travel and entertainment	12,269	-	55,340	2,618	31,214	101,441	26,729	28,059	83,283	4,547	36,240	178,858
Video and books	2,312	-	-	-	-	2,312	3,255	2,199	-	-	-	5,454
Miscellaneous	1,577	1,209	12,056	7,272	13,906	36,020	1,400	2,841	22,367	3,391	47,577	77,576
Total expenses	\$ 6,895,447	\$ 600,520	\$ 1,618,046	\$ 1,211,885	\$ 1,018,661	\$ 11,344,559	\$ 7,024,091	\$ 559,823	\$ 1,682,654	\$ 1,051,756	\$ 949,160	\$ 11,267,484
Percentage of total expenses	<u>60.78%</u>	<u>5.30%</u>	<u>14.26%</u>	<u>10.68%</u>	<u>8.98%</u>	<u>100.00%</u>	<u>62.34%</u>	<u>4.97%</u>	<u>14.93%</u>	<u>9.33%</u>	<u>8.43%</u>	<u>100.00%</u>

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 1,800,187	\$ 1,573,949
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	13,849	10,852
Transfer from merger	-	992,635
(Gain) on sales of investments	(1,238,997)	(64,897)
Unrealized (gain) in market value of investments	(1,323,088)	(984,502)
(Increase) decrease in operating assets:		
Contributions receivable	115,568	(162,311)
Accrued interest receivable	9,752	(13,740)
Prepaid expenses	26,948	(25,792)
Security deposits	99,954	(105,761)
Increase (decrease) in operating liabilities:		
Accrued expenses	120,066	(60,547)
Deferred event income	(12,093)	44,828
Deferred rent credit	158,169	27,302
Grants payable	(484,849)	(231,896)
	(714,534)	1,000,120
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
(Purchase of) property and equipment	(29,301)	(27,384)
(Purchase of) investments	(9,258,746)	(9,886,352)
Proceeds from sale of investments	9,592,824	11,598,093
	304,777	1,684,357
Net cash provided by investing activities		
Net (decrease) increase in cash and cash equivalents	(409,757)	2,684,477
Cash and cash equivalents:		
Beginning of year	7,991,055	5,306,578
End of year	\$ 7,581,298	\$ 7,991,055

See notes to consolidated financial statements.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Ovarian Cancer Research Fund, Inc. D/B/A Ovarian Cancer Research Fund Alliance (“OCRFA”) is a corporation which was organized in the State of New York as a not-for-profit entity on December 8, 1994. OCRFA previously operated as the Ovarian Cancer Research Fund, Inc. (“OCRF”), and adopted its present name on January 1, 2016, the date on which the operations of the Ovarian Cancer National Alliance (“OCNA”) were merged with OCRF’s by the transfer of all of the operating assets and liabilities of OCNA to OCRFA. As a result of the transaction, OCRFA acquired, on a consolidated basis, net assets of \$992,635, of which \$348,020 were temporarily restricted.

All material intercompany balances and transactions have been eliminated in consolidation.

OCRFA’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.

Basis of Presentation

OCRFA reports information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2017 and 2016, OCRFA had \$188,799 and \$282,139, respectively, of temporarily restricted net assets and no permanently restricted net assets.

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

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 1 - Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Use of Estimates

OCRFA'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.

Investment Valuation and Income Recognition

OCRFA'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 4 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.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions Receivable

OCRFA carries its contributions receivable at cost, less an allowance for doubtful accounts as needed. On a periodic basis, OCRFA evaluates its contributions receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on its history of past write-offs and collections and current credit conditions. OCRFA expects to collect contributions receivable within one year.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

**Note 1 - Nature of Operations and Summary of Significant Accounting Policies
(Continued)**

Fixed Assets

Depreciation of fixed assets is provided on the straight-line method over the estimated useful life of five years.

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, 2017 and 2016, grants payable are expected to be paid within three years.

Subsequent to year end, OCRFA made grant payments of approximately \$6,100,000 which were included in \$9,868,874 of "Grants payable" as of December 31, 2017.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

OCRFA had restrictions on net assets totaling \$188,799 and \$282,139 as of the years ended December 31, 2017 and 2016, respectively.

Contributions of Securities

Contributions of securities are recorded at fair value at the date of contribution.

Advertising Costs

Advertising costs are expensed as incurred.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

**Note 1 - Nature of Operations and Summary of Significant Accounting Policies
(Continued)**

Functional Allocation of Expenses

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

Contributed Services

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

OCRFA recognizes contributed services for advertising services and professional fees that were utilized principally in OCRFA's program operations during the years ended December 31, 2017 and 2016. These contributed services have been recorded at their approximate fair value. Contributed services for the years ended December 31, 2017 and 2016 totaled \$539,382 and \$600,967, respectively.

Income Taxes

OCRFA files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service (the "IRS"). At December 31, 2017, OCRFA's Form 990s for the years 2014 through 2017 remain eligible for examination by the IRS.

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

Subsequent Events

OCRFA has evaluated subsequent events and transactions through August 24, 2018, the date that the consolidated financial statements were available to be issued.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Concentrations of Credit Risk

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

Included in the contributions of \$6,526,826 for the year ended December 31, 2017 is a donation from the late Sol Schreiber, the founder of OCRF, totaling approximately \$1,300,000.

Included in the contributions of \$8,032,805 for the year ended December 31, 2016 is a donation from the late Sol Schreiber, the founder of OCRF, totaling approximately \$2,100,000.

Note 3 - Fixed Assets

Fixed assets at cost as of December 31, 2017 and 2016, are summarized as follows:

	2017	2016
Furniture and equipment	\$ 187,068	\$ 157,767
Less: accumulated depreciation	155,084	141,235
Net fixed assets	\$ 31,984	\$ 16,532

Depreciation expense was \$13,849 and \$10,852 for the years ended December 31, 2017 and 2016, respectively.

Note 4 - 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 OCRFA's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - Fair Value Measurements (Continued)

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.

OCRFA determines the fair market value of its investment 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. OCRFA'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 FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - 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, 2017 and 2016.

Corporate and municipal bonds:

Corporate and municipal 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 OCRFA 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 OCRFA 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 FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - Fair Value Measurements (Continued)

The following table sets forth, by level, OCRFA's assets that were accounted for at fair value on a recurring basis as of December 31, 2017:

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	\$ 2,510,173	\$ -	\$ 2,510,173	\$ -
Common stock, preferred stock and mutual funds:				
U.S. large cap	4,400,730	4,400,730	-	-
U.S. mid cap	530,857	530,857	-	-
Euro large cap	437,952	437,952	-	-
International	6,179,118	6,179,118	-	-
Public real estate	1,157,061	1,157,061	-	-
U.S. fixed income:				
Total return	1,434,474	1,434,474	-	-
Other	5,895,877	5,895,877	-	-
Commodities	818,563	818,563	-	-
Various sectors	<u>1,260,619</u>	<u>1,260,619</u>	-	-
	<u>22,115,251</u>	<u>22,115,251</u>	-	-
 Total investments	 <u>\$ 24,625,424</u>	 <u>\$ 22,115,251</u>	 <u>\$ 2,510,173</u>	 <u>\$ -</u>

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - Fair Value Measurements (Continued)

The following table sets forth, by level, OCRFA's assets that were accounted for at fair value on a recurring basis as of December 31, 2016:

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	\$ 2,151,385	\$ -	\$ 2,151,385	\$ -
Municipal - state and local	953,416		953,416	
Common stock, preferred stock and mutual funds:				
U.S. large cap	4,775,840	4,775,840	-	-
U.S. mid cap	1,286,865	1,286,865	-	-
U.S. small cap	323,224	323,224	-	-
Euro large cap	621,819	621,819	-	-
International	4,093,262	4,093,262	-	-
Public real estate	1,206,955	1,206,955	-	-
U.S. fixed income:				
Total return	1,547,586	1,547,586	-	-
Other	3,804,555	3,804,555	-	-
Commodities	383,635	383,635	-	-
Various sectors	1,248,875	1,248,875	-	-
	<u>19,292,616</u>	<u>19,292,616</u>	-	-
Total investments	<u>\$ 22,397,417</u>	<u>\$ 19,292,616</u>	<u>\$ 3,104,801</u>	<u>\$ -</u>

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - Fair Value Measurements (Continued)

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, 2017 and 2016, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 5 - Fundraising Events Revenue and Cost of Direct Benefit to Donors

The excess of revenue from fundraising events over the corresponding cost of direct benefit to donors is reported as unrestricted contribution revenue.

The following table provides the revenue, cost of direct benefit to donors, and the excess of revenue over the cost of direct benefit to donors, which have been reported as unrestricted contribution revenue, for each fundraising event during the years ended December 31, 2017 and 2016:

	<u>For the Year Ended December 31, 2017</u>		
	<u>Fundraising Events Revenue</u>	<u>Cost of Direct Benefit to Donors</u>	<u>Unrestricted Contribution Revenue</u>
Super Saturday - NY	\$ 2,651,704	\$ 1,556,811	\$ 1,094,893
Other events	<u>1,736,981</u>	<u>232,913</u>	<u>1,504,068</u>
Total	<u>\$ 4,388,685</u>	<u>\$ 1,789,724</u>	<u>\$ 2,598,961</u>

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 5 - Fundraising Events Revenue and Cost of Direct Benefit to Donors (Continued)

In addition to the \$2,598,961 listed above, OCRFA had non-fundraising event contributions of \$6,526,826 for the year ended December 31, 2017.

	For the Year Ended December 31, 2016		
	Fundraising Events Revenue	Cost of Direct Benefit to Donors	Unrestricted Contribution Revenue
Super Saturday - NY	\$ 2,971,080	\$ 1,623,076	\$ 1,348,004
Other events	2,167,217	1,274,140	893,077
Total	\$ 5,138,297	\$ 2,897,216	\$ 2,241,081

In addition to the \$2,241,081 listed above, OCRFA had non-fundraising event contributions of \$8,032,805 for the year ended December 31, 2016.

Note 6 - Commitments and Contingent Liabilities

Leases

In April 2011, OCRFA signed an amendment to its existing operating lease. OCRFA relocated to a new office in the same building. The terms of the lease were through September 2018. The initial fixed monthly rent was \$9,321 with annual increases of 2.25% each year. During 2016, OCRFA signed an amendment to its existing operating lease, agreeing to move to a new location in the same building and extending the term through 2027. OCRFA also leases storage space in the same building.

In addition, OCRFA assumed the lease of the former OCNA offices in Washington, D.C., which extends through July 2019.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Commitments and Contingent Liabilities (Continued)

Leases (Continued)

At December 31, 2017, OCRFA's aggregate future minimum annual rental commitment under noncancellable operating leases is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2018	\$ 450,653
2019	399,868
2020	323,589
2021	333,445
2022	361,212
Thereafter	<u>1,911,280</u>
Total	<u>\$ 3,780,047</u>

Total rent expense for OCRFA was \$475,284 and \$268,597 for the years ended December 31, 2017 and 2016, respectively.

Contingency

During 2017, in connection with its new office lease, OCRFA became contingently liable for standby letters of credit in the amount of approximately \$100,000.

Note 7 - Retirement Plan

OCRFA sponsors a defined contribution 401(k) plan (the "Plan") covering all eligible employees of OCRFA. OCRFA makes annual contributions to the Plan equal to a percentage determined by OCRFA prior to the end of each year. OCRFA made contributions of \$53,333 and \$38,717 for the years ended December 31, 2017 and 2016, respectively.

OCRFA assumed the defined contribution OCNA 403(b) plan (the "OCNA Plan") covering all eligible employees of OCNA. OCRFA makes annual contributions to the OCNA Plan equal to a percentage determined by OCRFA prior to the end of each year. OCRFA made contributions to the OCNA Plan of \$-0- and \$24,951 for the years ended December 31, 2017 and 2016, respectively.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following as of December 31, 2017:

	January 1, <u>2017</u>	<u>Additions</u>	<u>Releases</u>	December 31, <u>2017</u>
Conferences	\$ 115,000	\$ 50,000	\$ (152,423)	\$ 12,577
Advocate Leaders	73,019	20,000	(30,479)	62,540
Advocate Conversations	10,000	-	(3,616)	6,384
Advocate Fellowships	-	44,852	(27,625)	17,227
Conference Scholarships	24,120	-	(9,628)	14,492
Policy and Advocacy	-	10,000	(3,136)	6,864
Ask the Experts Education Series	10,000	-	-	10,000
Woman to Woman	20,000	15,000	(11,323)	23,677
Webinar/Symposium	5,000	-	(5,000)	-
General Time Restrictions	15,000	-	-	15,000
Survivors Teaching Students	<u>10,000</u>	<u>50,000</u>	<u>(39,962)</u>	<u>20,038</u>
	<u>\$ 282,139</u>	<u>\$ 189,852</u>	<u>\$ (283,192)</u>	<u>\$ 188,799</u>

Temporarily restricted net assets consisted of the following as of December 31, 2016:

	January 1, <u>2016</u>	<u>Additions</u>	<u>Releases</u>	December 31, <u>2016</u>
Gala	\$ 128,671	\$ -	\$ (128,671)	\$ -
Conferences	115,000	115,000	(115,000)	115,000
Advocate Leaders	40,000	60,000	(26,981)	73,019
Advocate Conversations	-	10,000	-	10,000
Conference Scholarships	9,849	23,500	(9,229)	24,120
Policy and Advocacy	19,500	-	(19,500)	-
Ask the Experts Education Series	10,000	-	-	10,000
Woman to Woman	-	20,000	-	20,000
Webinar/Symposium	-	5,000	-	5,000
General Time Restrictions	15,000	-	-	15,000
Survivors Teaching Students	<u>10,000</u>	<u>10,000</u>	<u>(10,000)</u>	<u>10,000</u>
	<u>\$ 348,020</u>	<u>\$ 243,500</u>	<u>\$ (309,381)</u>	<u>\$ 282,139</u>

The beginning of year amounts represent the acquired temporarily restricted net assets of OCNA.

OVARIAN CANCER RESEARCH FUND ALLIANCE
Notes to Consolidated Financial Statements (Continued)
December 31, 2017 and 2016

Note 9 - Program Services

The following significant program services are included in the accompanying consolidated financial statements:

Research: To promote, advocate for and support scientific research as it relates to the causes, prevention, diagnosis, treatment, and cure for ovarian cancer.

Conference: OCRFA's Ovarian Cancer National Conference is an annual event that brings survivors, caregivers, researchers and other experts together to discuss and learn about the most recent scientific developments, as well as other issues relevant to survivorship.

Education, Support and Advocacy: OCRFA works at the federal, state and local levels through various events, programs and advocacy efforts to increase awareness of the disease and the need for research; educates the general public, health care practitioners and those affected by ovarian cancer about all aspects of ovarian cancer; and advocates on behalf of women with ovarian cancer and in support of relevant health-related policies, including federal funding of medical research.