

Ovarian Cancer Research Alliance

Consolidated Financial Report

December 31, 2023



CONTENTS

Page

Independent Auditor's Report.....	1
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

Independent Auditor's Report

To the Board of Directors of
Ovarian Cancer Research Alliance

Opinion

We have audited the consolidated financial statements of Ovarian Cancer Research Alliance (OCRA) (a not-for-profit entity), which comprise the consolidated statement of financial position as of December 31, 2023, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ovarian Cancer Research Alliance as of December 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit. 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 12 to the consolidated financial statements, prior year contributions with donor restrictions and without donor restrictions were restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter

The consolidated financial statements of Ovarian Cancer Research Alliance for the year ended December 31, 2022 were audited by Buchbinder Tunick & Company LLP, which entered into an asset purchase agreement with Weaver and Tidwell, L.L.P. effective January 1, 2024, expressed an unmodified opinion on those financial statements on November 9, 2023.

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

New York, New York
December 18, 2024

Ovarian Cancer Research Alliance
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022 (Restated)
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 3,537,778	\$ 6,487,176
Restricted cash	244,505	734,143
	3,782,283	7,221,319
Total cash and cash and cash equivalents and restricted cash		
Investments at fair value	23,785,561	21,736,393
Restricted investments at fair value	10,673,924	286,386
	34,459,485	22,022,779
Total investments		
Receivables		
Contributions receivable	669,631	6,857,210
Accrued interest	40,865	56,831
	710,496	6,914,041
Total receivables		
Prepaid expenses	112,347	72,866
Fixed assets, net of accumulated depreciation of \$220,915 and \$208,841 at December 31, 2023 and 2022, respectively	2,375	14,449
Right-of-use assets - operating leases	124,176	1,401,439
Security deposits	12,195	12,195
	251,093	1,500,949
TOTAL ASSETS	\$ 39,203,357	\$ 37,659,088
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ 247,245	\$ 196,109
Grants payable, net	14,388,180	13,020,131
Operating lease obligations	84,868	1,612,582
	14,720,293	14,828,822
Total liabilities		
NET ASSETS WITHOUT DONOR RESTRICTIONS	13,689,736	14,579,451
NET ASSETS WITH DONOR RESTRICTIONS	10,793,328	8,250,815
	24,483,064	22,830,266
Total net assets		
TOTAL LIABILITIES AND NET ASSETS	\$ 39,203,357	\$ 37,659,088

The Notes to Consolidated Financial Statements are an integral part of these statements.

Ovarian Cancer Research Alliance

Consolidated Statements of Activities

Years Ended December 31, 2023 and 2022

	2023			2022 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 7,517,555	\$ 2,878,257	\$ 10,395,812	\$ 7,233,076	\$ 6,606,670	\$ 13,839,746
Fundraising events						
Fundraising events revenue	1,306,397	-	1,306,397	1,759,539	-	1,759,539
Less: cost of direct benefit to donors	<u>(145,898)</u>	<u>-</u>	<u>(145,898)</u>	<u>(212,842)</u>	<u>-</u>	<u>(212,842)</u>
Net fundraising events revenue	1,160,499	-	1,160,499	1,546,697	-	1,546,697
Conferences	<u>438,937</u>	<u>-</u>	<u>438,937</u>	<u>21,366</u>	<u>262,480</u>	<u>283,846</u>
Total contributions, grants - government, net fundraising events revenue and conferences	9,116,991	2,878,257	11,995,248	8,801,139	6,869,150	15,670,289
Other revenue						
Interest and dividend income, net of investment fees of \$78,481 and \$87,182 at December 31, 2023 and 2022, respectively	1,016,619	-	1,016,619	623,044	-	623,044
Contributed services	675,638	-	675,638	583,342	-	583,342
Gain on sales of investments	352,167	-	352,167	45,425	-	45,425
Unrealized gain (loss) in market value of investments	<u>1,963,043</u>	<u>-</u>	<u>1,963,043</u>	<u>(3,296,480)</u>	<u>-</u>	<u>(3,296,480)</u>
Total other revenue	4,007,467	-	4,007,467	(2,044,669)	-	(2,044,669)
Net assets released from purpose restrictions	230,744	(230,744)	-	534,461	(534,461)	-
Net assets released from time restrictions	<u>105,000</u>	<u>(105,000)</u>	<u>-</u>	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
Total revenue and support	13,460,202	2,542,513	16,002,715	7,470,931	6,154,689	13,625,620
EXPENSES						
Program services						
Research	8,851,448	-	8,851,448	7,300,143	-	7,300,143
Conferences	625,720	-	625,720	532,402	-	532,402
Education, support and advocacy	<u>2,034,142</u>	<u>-</u>	<u>2,034,142</u>	<u>1,789,378</u>	<u>-</u>	<u>1,789,378</u>
Total program services	11,511,310	-	11,511,310	9,621,923	-	9,621,923
Supporting services						
Fundraising	1,589,779	-	1,589,779	1,442,482	-	1,442,482
General and administrative	<u>1,248,828</u>	<u>-</u>	<u>1,248,828</u>	<u>894,405</u>	<u>-</u>	<u>894,405</u>
Total supporting services	2,838,607	-	2,838,607	2,336,887	-	2,336,887
Total expenses	<u>14,349,917</u>	<u>-</u>	<u>14,349,917</u>	<u>11,958,810</u>	<u>-</u>	<u>11,958,810</u>
Change in net assets	(889,715)	2,542,513	1,652,798	(4,487,879)	6,154,689	1,666,810
NET ASSETS, beginning of year	<u>14,579,451</u>	<u>8,250,815</u>	<u>22,830,266</u>	<u>19,067,330</u>	<u>2,096,126</u>	<u>21,163,456</u>
NET ASSETS, end of year	<u>\$ 13,689,736</u>	<u>\$ 10,793,328</u>	<u>\$ 24,483,064</u>	<u>\$ 14,579,451</u>	<u>\$ 8,250,815</u>	<u>\$ 22,830,266</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Ovarian Cancer Research Alliance

Consolidated Statements of Functional Expenses

Years Ended December 31, 2023 and 2022

	2023							2022						
	Program Services				Supporting Services			Program Services				Supporting Services		
	Research	Conferences	Education, Support and Advocacy	Total Program Services	Fundraising	General and Administrative	Total	Research	Conferences	Education, Support and Advocacy	Total Program Services	Fundraising	General and Administrative	Total
Research grants and allocations	\$ 8,169,340	\$ -	\$ -	\$ 8,169,340	\$ -	\$ -	\$ 8,169,340	\$ 6,673,567	\$ -	\$ -	\$ 6,673,567	\$ -	\$ -	\$ 6,673,567
Support program grants	-	-	(51,430)	(51,430)	-	-	(51,430)	-	-	20,000	20,000	-	-	20,000
Conferences	-	287,193	-	287,193	-	-	287,193	-	213,179	-	213,179	-	-	213,179
Salaries	258,805	178,071	770,314	1,207,190	736,079	460,146	2,403,415	257,862	176,159	649,086	1,083,107	664,432	413,918	2,161,457
Payroll taxes	19,879	13,678	59,169	92,726	56,539	35,344	184,609	18,793	12,838	47,305	78,936	48,424	30,167	157,527
Employee benefits	51,331	35,318	152,783	239,432	145,993	91,267	476,692	50,477	34,484	127,060	212,021	130,064	81,026	423,111
Temporary help	1,223	841	3,640	5,704	3,478	2,174	11,356	-	-	-	-	-	-	-
Lease expense	16,842	11,588	50,128	78,558	47,900	29,942	156,400	52,863	36,113	133,066	222,042	136,212	84,856	443,110
Professional fees	203,553	-	334,330	537,883	-	337,786	875,669	175,500	-	314,348	489,848	52,725	97,461	640,034
Advertising	73,100	46,518	212,654	332,272	206,009	126,264	664,545	-	-	389,075	389,075	94,517	6,374	489,966
Internet and communications	29,933	20,595	89,093	139,621	85,133	53,218	277,972	51,968	51,413	54,632	158,013	72,346	70,649	301,008
Travel and entertainment	-	19,589	26,747	46,336	-	10,488	56,824	6,338	-	2,819	9,157	-	1,257	10,414
Genetic testing	-	-	285,602	285,602	-	-	285,602	-	-	-	-	-	-	-
Printing	-	-	1,421	1,421	147,193	6,370	154,984	750	-	9,546	10,296	68,187	17,312	95,795
Postage	9,681	33	24	9,738	22,949	26,466	59,153	-	-	730	730	32,735	26,900	60,365
Office expense	4,611	3,248	60,528	68,387	13,114	8,198	89,699	6,588	4,501	16,584	27,673	16,976	10,576	55,225
Insurance	1,978	1,361	5,886	9,225	5,625	3,516	18,366	3,997	2,731	10,062	16,790	10,299	6,416	33,505
Credit card fees	-	-	-	-	87,992	-	87,992	-	-	-	-	57,592	-	57,592
Bank fees	-	-	-	-	-	19,480	19,480	-	-	-	-	-	28,892	28,892
Filing fees	-	-	-	-	-	18,306	18,306	-	-	-	-	-	10,989	10,989
Miscellaneous	11,172	7,687	33,253	52,112	31,775	19,863	103,750	1,440	984	15,065	17,489	57,973	7,612	83,074
TOTAL EXPENSES	\$ 8,851,448	\$ 625,720	\$ 2,034,142	\$ 11,511,310	\$ 1,589,779	\$ 1,248,828	\$ 14,349,917	\$ 7,300,143	\$ 532,402	\$ 1,789,378	\$ 9,621,923	\$ 1,442,482	\$ 894,405	\$ 11,958,810
Percentage of total expenses	61.68%	4.36%	14.18%		11.08%	8.70%	100.00%	61.04%	4.45%	14.96%		12.06%	7.48%	100.00%

The Notes to Consolidated Financial Statements are an integral part of these statements.

Ovarian Cancer Research Alliance
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,652,798	\$ 1,666,810
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	12,074	12,074
(Gain) on sales of investments	(352,167)	(45,425)
Unrealized (gain) loss in market value of investments	(1,963,043)	3,296,480
Amortization of right-of-use assets - operating leases	1,277,263	354,449
(Increase) decrease in operating assets		
Contributions receivable	6,187,579	(6,008,688)
Grant refunds receivable	-	299,125
Accrued interest receivable	15,966	(38,634)
Prepaid expenses	(39,481)	(55,197)
Increase (decrease) in operating liabilities		
Accrued expenses	51,136	78,824
Grants payable	1,368,049	1,572,954
Operating lease liabilities	(1,527,714)	(400,541)
	<u>6,682,460</u>	<u>732,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase of) fixed assets	-	(7,125)
(Purchase of) investments	(34,683,951)	(14,367,544)
Proceeds from sale of investments	24,562,455	13,242,311
	<u>(10,121,496)</u>	<u>(1,132,358)</u>
Net cash (used in) investing activities		
Net (decrease) in cash and cash equivalents and restricted cash	(3,439,036)	(400,127)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>7,221,319</u>	<u>7,621,446</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u>\$ 3,782,283</u>	<u>\$ 7,221,319</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-use assets - operating leases	<u>\$ -</u>	<u>\$ 1,755,888</u>
Lease liability - operating leases	<u>\$ -</u>	<u>\$ 2,013,123</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

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.

Ovarian Cancer Research Alliance is committed to preventing, developing better treatments for and ultimately curing ovarian and related gynecologic cancers through innovative research, raising awareness and ensuring the best care possible through advocacy and support for patients and families.

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. All 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:

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. All donor restrictions at December 31, 2023 and 2022 are temporary in nature.

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

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

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, 2023 and 2022.

Amounts included in restricted cash represent those funds required to be set aside for the Edmée Firth Fund for Research in Ovarian Cancer (EFFROC) and for the Shirley Johnson Fund for Research in Ovarian Cancer (SJFROC). The EFFROC restrictions are expected to lapse as related grant funds are paid out or annually until 2031, whichever occurs first. The SJFROC restrictions are expected to lapse as related grant funds are paid out according to a schedule determined by the donor.

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 receivables 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, 2023 and 2022.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

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.

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, 2023 and 2022.

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.

Advertising Costs

Advertising costs are expensed as incurred.

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.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

The expenses that are allocated include the following:

Expense	Method of Allocation
Research and support grants	Purpose of expenditure
Conferences	Purpose of expenditure
Salaries, payroll taxes, and employee benefits	Time and effort
Temporary help	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
Genetic testing	Purpose of expenditure
Printing, postage, travel and entertainment	Purpose of expenditure
Office expense	Time and effort
Insurance	Time and effort
Credit card fees, bank fees, and filing 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, 2023 and 2022. These contributed services have been recorded at their approximate fair value. Contributed services for the years ended December 31, 2023 and 2022 totaled \$675,638 and \$583,342 respectively.

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.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

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.

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, 2023, OCRA's Form 990s for the years 2020 through 2023 remain eligible for examination by the IRS.

OCNA files an annual Form 990-N (e-Postcard), *Return of Organization Exempt from Income Tax*, with the IRS. At December 31, 2023, OCNA's Form 990-Ns for the years 2020 through 2023 remain eligible for examination by the IRS.

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

Subsequent Events

OCRA has evaluated subsequent events and transactions through December 18, 2024, the date that the consolidated financial statements were available to be issued.

Note 3. Concentrations of Credit Risk

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

Two donors represent approximately 34% and one donor represents approximately 87% of contributions receivable for the years ended December 31, 2023 and 2022, respectively. One donor represents approximately 21% and 43% of contribution revenue for the years ended December 31, 2023 and 2022, respectively.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

Note 4. Fixed Assets

Fixed assets at cost as of December 31, 2023 and 2022, are summarized as follows:

	2023	2022
Furniture and equipment	\$ 223,290	\$ 223,290
Less accumulated depreciation	220,915	208,841
Fixed assets, net	\$ 2,375	\$ 14,449

Depreciation expense was \$12,074 and \$12,074 for the years ended December 31, 2023 and 2022, respectively.

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

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, 2023 and 2022.

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.

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, 2023:

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments at fair value				
Corporate bonds:				
U.S. - various sectors	\$ 2,025,908	\$ -	\$ 2,025,908	\$ -
Common and preferred stocks and registered investment companies				
U.S. large cap	8,737,919	8,737,919	-	-
U.S. mid cap	1,953,871	1,953,871	-	-
U.S. small cap	1,926,529	1,926,529	-	-
International	5,180,536	5,180,536	-	-
U.S. fixed income:				
Government	1,516,685	1,516,685	-	-
Other	5,298,431	5,298,431	-	-
Global fixed income	5,300,841	5,300,841	-	-
Balanced	997,673	997,673	-	-
Various sectors	1,521,092	1,521,092	-	-
	<u>32,433,577</u>	<u>32,433,577</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 34,459,485</u>	<u>\$ 32,433,577</u>	<u>\$ 2,025,908</u>	<u>\$ -</u>

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

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:

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
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	1,693,957	1,693,957	-	-
	<u>20,142,360</u>	<u>20,142,360</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 22,022,779</u>	<u>\$ 20,142,360</u>	<u>\$ 1,880,419</u>	<u>\$ -</u>

Note 6. Net Assets with Donor Restrictions

As of December 31, 2023 and 2022, net assets with donor restrictions consist of the following:

	2023	2022
Net assets with time and purpose restrictions		
Shirley Johnson Fund for Research in Ovarian Cancer	\$ 8,463,192	\$ 5,969,900
General Time Restriction	90,000	105,000
Total net assets with time and purpose restrictions	8,553,192	6,074,900
Net assets with purpose restrictions		
Advocate Leaders	210,189	172,899
Awareness and Education Campaigns	446,718	266,454
Conference	76,468	366,014
Congressional Briefing	-	16,864
Edmée Firth Fund for Research in Ovarian Cancer	1,059,991	1,113,060
Patient Support Programs	125,000	86,825
Research Advocate	60,000	50,000
Woman to Woman	169,770	103,799
Genetic Testing	92,000	-
Total net assets with purpose restrictions	2,240,136	2,175,915
Total net assets with donor restrictions	<u>\$ 10,793,328</u>	<u>\$ 8,250,815</u>

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

Note 7. 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.

Subsequent to December 31, 2023, OCRA negotiated the termination of its lease for the New York space, effective February 29, 2024.

For the years ended December 31, 2023 and 2022, the lease expense was as follows:

	2023	2022
Base lease cost	\$ 438,424	\$ 428,859
Real estate taxes	-	34,231
Straight line adjustment	(282,024)	(19,980)
Total lease expense	\$ 156,400	\$ 443,110

The weighted average operating lease term is 1 year. 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 1.93%.

The maturity analysis and reconciliation to the consolidated statement of financial position at December 31, 2023, are as follows:

Years Ending December 31,	Operating Lease
2024	\$ 96,016
Total future undiscounted lease payments	96,016
Less present value discount	(11,148)
Operating lease liabilities	\$ 84,868

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 \$5,250 and \$9,245 for the years ended December 31, 2023 and 2022, respectively, and is included in office expense.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

Note 8. Grants Payable

The maturity analysis and reconciliation to the consolidated statement of financial position at December 31, 2023, are as follows:

Years Ending December 31,	Grants Payable
2024	\$ 6,866,701
2025	4,894,779
2026	2,801,327
2027	714,850
Total future undiscounted lease payments	15,277,657
Less present value discount	(889,477)
Grants payable, net	\$ 14,388,180

Grants payable are discounted at a rate of 5.26%.

Subsequent to year end, OCRA made grant payments of approximately \$6,430,000.

Note 9. Retirement Plan

OCRA sponsors a defined contribution 401(k) plan (the "Plan") covering all eligible employees of OCRA. OCRA makes annual contributions to the Plan equal to a percentage determined by OCRA prior to the end of each year. OCRA made contributions of \$77,914 and \$61,175 for the years ended December 31, 2023 and 2022, respectively.

Note 10. 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, which remained in effect until OCRA terminated the New York office lease in February 2024.

Ovarian Cancer Research Alliance

Notes to Consolidated Financial Statements

Note 11. Availability and Liquidity

Financial assets consist of the following at December 31, 2023 and 2022:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	\$ 3,537,778	\$ 6,487,176
Investments	23,785,561	21,736,393
Contributions receivable	669,631	6,857,210
Accrued interest receivable	40,865	56,831
Total financial assets	28,033,835	35,137,610
Less amounts not available to be used within one year		
Net assets with donor restrictions	10,793,328	8,250,815
Less net assets with purpose restrictions to be met in less than a year	(2,327,939)	(1,848,176)
	8,465,389	6,402,639
Financial assets available to meet general expenditures over the next twelve months	\$ 19,568,446	\$ 28,734,971

OCRA's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$3,587,000). As part of its liquidity plan, excess cash is maintained in interest-bearing bank accounts at an FDIC insured institution and in investment accounts.

Note 12. Prior Period Adjustment

In the previous consolidated financial statements, a donation was recorded as contributions without donor restrictions. During the year ended December 31, 2023, it was determined that the contribution was restricted to fund specific types of research. Prior year contributions with and without restrictions have been restated to reflect this. The change increased net assets with donor restrictions and decreased net assets without donor restrictions by \$5,969,900 at December 31, 2022.