



Audited Financial Statements

As of and for the Year Ended June 30, 2023

**(With Comparative Summarized Financial Information as
of and for the Year Ended June 30, 2022)**

Claris Health

Financial Statements
For the Year Ended June 30, 2023

Claris Health

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Independent Auditor's Report

To the Board of Directors
Claris Health
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Claris Health (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Claris Health as of June 30, 2023, and the changes in its net assets and its 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 Financial Statements section of our report. We are required to be independent of Claris Health 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Independent Auditor's Report - continued

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 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 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 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 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 Claris Health'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Claris Health'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.

Report on Summarized Comparative Information

The 2022 financial statements of Claris Health were audited by other auditors who, in their report dated October 12, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lewis Sharpstone & Co.

Woodland Hills, California
November 8, 2023

Financial Statements

Claris Health
Statement of Financial Position
June 30, 2023
(With Comparative Totals as of June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	\$ 4,893,422	\$ 5,062,855
Prepaid expenses and other assets	52,558	41,501
Operating lease right-of-use assets	860,885	-
Property and equipment, net	166,034	184,600
Total Assets	\$ 5,972,899	\$ 5,288,956
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 64,058	\$ 52,585
Deferred revenue	3,002,000	3,000,000
Deferred rent	-	52,975
Operating lease liabilities	910,041	-
Total Liabilities	3,976,099	3,105,560
 Net Assets		
Without donor restrictions	1,958,150	1,787,879
With donor restrictions	38,650	395,517
Total Net Assets	1,996,800	2,183,396
Total Liabilities and Net Assets	\$ 5,972,899	\$ 5,288,956

See accompanying notes to financial statements.

Clariss Health

Statement of Activities Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022
	Without donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contributions	\$ 1,093,508	\$ 205,500	\$ 1,299,008	\$ 1,427,760
Program income	64,309	-	64,309	69,371
Event revenue, net	404,867	-	404,867	566,825
Gifts in-kind	154,309	-	154,309	123,428
Other income	117,073	-	117,073	1,733
PPP loan forgiveness recognized	-	-	-	176,155
Net assets released from restrictions	562,367	(562,367)	-	-
Total Revenue and Support	2,396,433	(356,867)	2,039,566	2,365,272
Expenses:				
Program services	1,647,820	-	1,647,820	1,364,418
Management and general	407,003	-	407,003	296,018
Fundraising	171,339	-	171,339	121,249
Total Expenses	2,226,162	-	2,226,162	1,781,685
Change in Net Assets	170,271	(356,867)	(186,596)	583,587
Net Assets, beginning of year	1,787,879	395,517	2,183,396	1,599,809
Net Assets, end of year	\$ 1,958,150	\$ 38,650	\$ 1,996,800	\$ 2,183,396

See accompanying notes to financial statements.

Claris Health

Statement of Functional Expenses Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

	2023							2022	
	Program Activities					Management & General	Fundraising	Total	Total
Medical Program	Mobile Medical Clinic	Support Program	Sexual Health Education	Total Program Services					
Salaries	\$ 445,451	\$ 107,112	\$ 118,480	\$ 171,582	\$ 842,625	\$ 195,315	\$ 80,532	\$ 1,118,472	\$ 935,907
Employee benefits	10,455	-	10,455	10,455	31,365	7,841	-	39,206	17,620
Payroll taxes	35,455	8,761	12,694	17,619	74,529	7,335	4,715	86,579	73,272
Advertising and marketing	-	-	-	-	-	80,830	-	80,830	35,279
Bank charges	6,541	-	6,541	6,541	19,623	4,906	-	24,529	31,418
Insurance	7,020	6,302	7,020	7,020	27,362	1,810	-	29,172	34,567
IT expenses	10,994	1,452	10,994	10,994	34,434	1,158	-	35,592	29,467
License fees and dues	7,405	-	3,213	3,213	13,831	-	-	13,831	23,775
Lab fees	13,623	34,956	-	-	48,579	-	-	48,579	28,942
Occupancy	88,355	-	88,355	88,355	265,065	18,892	-	283,957	250,772
Office supplies and expenses	20,094	5,423	20,813	7,247	53,577	3,104	4,652	61,333	27,761
Other expenses	2,984	-	2,984	2,984	8,952	-	-	8,952	10,228
Professional fees	29,841	-	29,841	29,841	89,523	69,005	79,058	237,586	133,693
Repairs and maintenance	6,310	29,008	1,753	1,753	38,824	-	-	38,824	29,140
Staff development	14,811	-	28,874	9,428	53,113	7,295	-	60,408	54,279
Travel and parking	3,656	9,192	3,656	4,914	21,418	2,742	2,382	26,542	23,370
Depreciation	3,000	20,000	1,000	1,000	25,000	6,770	-	31,770	42,195
Total Functional Expenses	\$ 705,995	\$ 222,206	\$ 346,673	\$ 372,946	\$ 1,647,820	\$ 407,003	\$ 171,339	\$ 2,226,162	\$ 1,781,685

See accompanying notes to financial statements.

Claris Health

Statement of Cash Flows Year Ended June 30, 2023 (With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (186,596)	\$ 583,587
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	31,770	42,195
PPP loan forgiveness recognized	-	(176,155)
Amortization of operating lease right-of-use asset	168,566	-
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(11,057)	(10,848)
Accounts payable and accrued expenses	11,473	(7,002)
Deferred revenue	2,000	3,000,000
Deferred rent	-	4,978
Operating lease liabilities	<u>(172,385)</u>	<u> </u>
Net cash (used in) provided by operating activities	<u>(156,229)</u>	<u>3,436,755</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(13,204)</u>	<u>(8,842)</u>
Net cash (used in) investing activities	<u>(13,204)</u>	<u>(8,842)</u>
Change in cash	(169,433)	3,427,913
Cash - beginning of year	<u>5,062,855</u>	<u>1,634,942</u>
Cash - end of year	\$ <u>4,893,422</u>	\$ <u>5,062,855</u>

See accompanying notes to financial statements.

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

NOTE 1 - ORGANIZATION PROFILE

Claris Health (“the Organization”) was formed as a California not-for-profit corporation on February 25, 2000. The mission of the Organization is to equip and care for individuals and their families before, during and after pregnancy and sexual-health choices. The Organization provides pregnancy and sexual-health related medical, mental health, education and support services to individuals and their families.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Claris Health have been prepared on the accrual basis which recognizes income when earned and expenses when incurred, in accordance with accounting principles generally accepted in the United States of America (“GAAP”)

Financial Statement Presentation

Claris Health reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets without Donor Restrictions: - Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of Claris Health. These net assets may be used at the discretion of Claris Health’s management and the board of directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion. No such designations existed as of June 30, 2023 and 2022.

Net Assets with Donor Restrictions: - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of Claris Health and/or the passage of time. Other donor restrictions may potentially be perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. See Note 6 for more information on the composition of net assets with donor restrictions.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally excepted accounting principles. Accordingly, such information should be read in conjunction with Claris Health’s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Certain information from the June 30, 2022 financial statements has been reclassified to conform to the 2023 presentation.

Clariss Health

Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses as well as disclosure of contingent assets and liabilities if any. Actual results could differ from those estimates.

Revenue Recognition

Contributions

Conditional contributions: If there are barriers or conditions included in the contribution or grant agreement, such contributions are not recognized until the conditions are met. If cash is received on such contributions before the condition is met, the contribution is recorded as deferred revenue. If a contribution pledge contains a barrier or condition, such pledge is not recorded until the condition is met.

Unconditional contributions: Unconditional contributions, whether with donor restrictions or without donor restrictions, are recognized as revenue when they are received. Contributions are reported as support with donor restriction if they are received with donor stipulations that limit the use of the cash or other assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give, or grants receivable, that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which promises are expected to be received. Amortization of the discount if any is recognized in contribution revenue.

Program income

The Organization has evaluated its revenue recognition process in conjunction with the current revenue recognition standard update FASB ASU 2014-09 Revenue from Contracts with Customers (Topic ASC 606) and all subsequent amendments. Program income is recognized when earned, which is when the service related to the income is provided (the performance obligation).

Event revenue

Event revenue is recognized when the event occurs. Event revenue is reported net of direct event expenses.

Donated goods and services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. No such contributed goods were received in the years ended June 30, 2023 and 2022

Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. See Note 8.

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

Contributions of in-kind space is recorded at an estimate of the rent per square foot the Organization would have paid but for the donation, multiplied by the square footage utilized. See Note 8.

Cash and Cash Equivalents

Claris Health considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Leasehold improvements	The shorter of the life of the lease or the life of the asset
Medical equipment	5 to 10 years
Office equipment	3 to 7 years

Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

Long Lived Assets

Claris Health reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. An impairment loss is recognized with the estimate of discounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying amount. If impairment is indicated the amount of the loss to be recorded is based on an estimate of the difference between the carrying amount and the fair value of the asset. Fair value is based upon discounted estimated cash flows expected to result from the use of the asset and its eventual disposition and other valuation methods.

There were no impairment charges during the years end of June 30, 2023 or 2022.

Fair Value Measurements

Generally accepted accounting standards related to fair value measurements (a) define fair value 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, and (b) set out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described as follows:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 - Directly or indirectly observable input for quoted and other than quoted prices for identical or similar assets and liabilities in active or non-active markets.

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

Level 3 - Unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the entity's own data.

Certain financial instruments are carried at cost, which approximates fair value because of the short-term nature of these instruments, and thus are not categorized. These instruments include cash and cash equivalents, accounts payable and accrued expenses.

PPP Loan Accounting

The Paycheck Protection Program ("PPP") loan program was established on March 27, 2020 as part of the Coronavirus Aid, Relief and Economic Security ("CARES") Act. The PPP loan program provides that all or a portion of the loan may be forgiven if a borrower incurs certain eligible expenses during an allowable period following receipt of the funds. Management has concluded that the PPP loan is an in-substance government grant to the Organization and is accounting for the loan as a conditional contribution in accordance with ASC 958-605. For accounting purposes management recognizes forgiveness earned when the conditions for such forgiveness have been substantially met, which management determined to be receipt of notification of forgiveness.

On February 2, 2021 Clariss Health received \$176,155 of PPP loan proceeds. On December 8, 2021 the Small Business Administration approved forgiveness of the loan in full. Accordingly, the proceeds were recognized as income in the statement of activities for the year ended June 30, 2022.

Functional Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Salaries, payroll taxes and employee benefits are allocated based on time and effort of employee. Occupancy is allocated based primarily on a rough estimate of square footage used in each program or function. All other expenses are first allocated directly to either the program, administrative or fundraising, then any remaining expenses are allocated to these functions based on either the salary allocation or a rough estimate of percentage allocation.

Income taxes

Clariss Health is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). Accordingly, no provision for income taxes is included in the financial statements. In addition, Clariss Health has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2023 and 2022. Generally, Clariss Health's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

Custodial Credit Risk

Financial instruments which potentially subject Claris Health to concentrations of credit risk consist of cash and cash equivalents. Claris Health places its cash and cash equivalents with high quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. In the normal course of operations, such cash balances may exceed the FDIC insurance limits.

Recent Accounting Pronouncements

On February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for Claris Health in its year ended June 30, 2023. Claris Health adopted this accounting pronouncement in its 2023 financial statements using the modified prospective method. The effect on the Organization's financial statements is described in Note 6.

NOTE 3: FURNITURE AND EQUIPMENT

As of June 30, 2022 and 2021, furniture and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 26,484	\$ 26,484
Medical equipment	313,700	310,257
Office equipment	<u>23,164</u>	<u>22,119</u>
	363,348	358,860
Less accumulated depreciation	<u>(197,314)</u>	<u>(174,260)</u>
	\$ <u>166,034</u>	\$ <u>184,600</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$31,770 and \$42,195 respectively.

NOTE 4: DEFERRED REVENUE

On December 13, 2021, a donation to the Organization of \$3,000,000 was made for the purpose of seeding a capital campaign, to purchase a building. The Organization needs to raise an additional funds, estimated at approximately \$9,000,000, in order to purchase a building. Under the terms of this donation, if the remaining funds are not raised before December 31, 2024, or if the project ceases at any point and the building is never purchased, the donation must be returned to the family's donor advised fund. Accordingly, as of June 30, 2022 the \$3,000,000 was recorded as deferred revenue.

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

During the year ended June 30, 2023 the Organization secured additional conditional pledges in the amount of \$5,914,000 and the donor of the \$3,000,000 acknowledged that this condition with respect to its contribution has been met. In addition, an additional \$2,000 conditional pledge was received. Due to the existence of the secondary condition, the purchase of a building, the Organization has determined to continue to record the capital campaign funds received as deferred revenue. The Organization has been actively pursuing a building to purchase.

NOTE 5: LEASES

Clariss Health rents space in two locations, West Los Angeles and Lynwood, California, under two leases which go through 2029 and 2025. There are no options to extend the terms of the leases. There are rent escalations as specified in each lease. The monthly aggregate rent payment as of June 30, 2023 is \$15,902

The Implicit Rate is the inherent rate of return the lessor is receiving from the lease. The Incremental borrowing rate (IBR) is the interest rate calculated based on factors specific to the organization and lease agreement such as credit rating, the underlying assets, the lease term and the economic environment. Both the implicit rate and IBR are not readily determinable when lease new standard is adopted. Clariss Health elected to utilize the option to use the risk-free rate determined using a period comparable to the remaining lease term on the date of implementing the lease accounting under ASU 206-02. Accordingly, Clariss Health estimated an applicable risk free rate over the remaining contractual lease term as the discount rate.

The total right-of-use asset and lease liabilities at June 30, 2023 are as follows:

Operating right-of use asset	\$ <u>860,885</u>
Operating lease liabilities	\$ <u>910,041</u>

The total lease cost for the year ended June 30, 2023 is as follows:

Operating lease cost	\$ <u>197,047</u>
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The following summarizes the supplemental cash flow information for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities	\$ <u>189,987</u>
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The right-of-use asset obtained in exchange for the lease liabilities on July 1, 2022 was \$1,029,451.

The following is other required disclosure information at June 30, 2023

Remaining weighted lease term in months at June 30, 2023	<u>66</u>
Weighted average risk-free discount rate	<u>2.85%</u>

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

Future minimum lease payments under these leases are as follows:

Year ended June 30		
2024	\$	195,678
2025		201,543
2026		159,029
2027		128,082
2028		131,922
Thereafter		<u>170,094</u>
Total lease payments		986,348
Less - interest		<u>(76,307)</u>
Present value of lease liability	\$	<u>910,041</u>

Rent expense related to the leases above was \$195,506 and \$185,590 for the years ended June 30, 2023 and 2022, respectively. In addition, for the year ended June 30, 2023 and 2022 the Organization received in-kind rent of 92,268 and 65,182, respectively. See Note 8.

Clariss Health

Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

NOTE 6: NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions and movements thereon consisted of the following as of June 30, 2023 and 2022:

<u>2023</u>	<u>January 1</u>	<u>Revenues</u>	<u>Releases</u>	<u>December 31</u>
Restricted for:				
Every Mothers Advocate	\$ 25,000	\$ -	\$ (25,000)	\$ -
Family Preservation Program	-	25,000	(11,894)	13,106
Lynwood Clinic	-	5,000	(5,000)	-
Marketing	50,000	25,000	(75,000)	-
Medical services	55,000	30,000	(85,000)	-
Mental-Health Services	-	50,000	(24,456)	25,544
Mobile Medical Unit	170,500	70,500	(241,000)	-
Parenting Support Program	15,000	-	(15,000)	-
Prenatal Care Program	10,000	-	(10,000)	-
Reality Check Program	25,000	-	(25,000)	-
Sexual-Health Program	11,917	-	(11,917)	-
Technology Improvements	<u>33,100</u>	<u>-</u>	<u>(33,100)</u>	<u>-</u>
 Total 2023	 \$ <u>395,517</u>	 \$ <u>205,500</u>	 \$ <u>(562,367)</u>	 \$ <u>38,650</u>
 Total 2022	 \$ <u>160,951</u>	 \$ <u>395,517</u>	 \$ <u>(160,951)</u>	 \$ <u>395,517</u>

NOTE 7: EVENT REVENUE – NET

Event revenue- net consisted of the following for the years ended June 30, 2022 and 2023:

	<u>2023</u>	<u>2022</u>
Gross event revenue	\$ 523,999	\$ 680,089
Less direct event expenses	<u>(119,132)</u>	<u>(113,264)</u>
	\$ <u>404,867</u>	\$ <u>566,825</u>

Clariss Health

Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

NOTE 8: IN-KIND RENT AND SERVICES

During the years ended June 30, 2023 and 2022, the Organization received donations of in-kind rent and services as follows:

	<u>2023</u>	<u>2022</u>
In-kind rent	\$ 92,268	\$ 65,182
In-kind services	<u>62,041</u>	<u>58,246</u>
	\$ <u>154,309</u>	\$ <u>123,428</u>

The value of the in-kind rent was estimated by management based on the use of the square footage donated and an estimate of the market rent per square foot of the location, derived from research of publicly available information.

The value of the in-kind services was estimated utilizing knowledge of the hours donated by the donor and an estimate of the market rate per hour for the services provided, derived from research of the market for such services.

NOTE 9: LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management the Organization prepares monthly cash requirement projections which are used to ensure that needed balances are liquid and available for payment of general expenses in the near term. In addition, the Organization employs an extensive annual budgeting process and strategic planning process to ensure the Organization will continue to be poised to have funds available to pay general expenses in the long term.

Financial assets available to meet cash needs for general expenditures within one year of June 30, 2023 is as follows:

Cash and cash equivalents	\$ 4,893,422
Grants receivable	<u>70,500</u>
Total financial assets available	4,963,922
Less those unavailable for expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(38,650)</u>
Financial assets available to meet cash needs for expenditures within one year	\$ <u>4,925,272</u>

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Notes to Financial Statements June 30, 2023 (Comparative Totals - June 30, 2022)

NOTE 10: SUBSEQUENT EVENTS

Claris Health's management has evaluated subsequent events through November 8, 2023, the date which the financial statements were available to be issued. There were no subsequent events noted that would require adjustments to or disclosures in these financial statements.