



**Audited Financial Statements**

As of and for the Year Ended June 30, 2024

(With Comparative Summarized Financial Information as  
of and for the Year Ended June 30, 2023)

# **Claris Health**

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Financial Statements  
For the Year Ended June 30, 2024

# 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, 2024, 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, 2024, 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

We have previously audited Claris Health's 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 8, 2023. 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 7, 2024

## **Financial Statements**

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**Clariss Health**  
**Statement of Financial Position**  
**June 30, 2024**  
**(With Comparative Totals as of June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,440,712	\$ 4,893,422
Grants receivable	42,500	-
Prepaid expenses and other assets	40,370	52,558
Operating lease right-of-use assets	687,586	860,885
Property and equipment, net	5,454,343	166,034
<b>Total Assets</b>	<b>\$ 8,665,511</b>	<b>\$ 5,972,899</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 64,143	\$ 64,058
Deferred revenue	-	3,002,000
Operating lease liabilities	738,112	910,041
<b>Total Liabilities</b>	<b>802,255</b>	<b>3,976,099</b>
<b>Net Assets</b>		
Without donor restrictions	7,720,756	1,958,150
With donor restrictions	142,500	38,650
<b>Total Net Assets</b>	<b>7,863,256</b>	<b>1,996,800</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,665,511</b>	<b>\$ 5,972,899</b>

*See accompanying notes to financial statements.*

# Claris Health

## Statement of Activities Year Ended June 30, 2024 (With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Without donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and Support:</b>				
Contributions - general	\$ 1,613,331	\$ 270,000	\$ 1,883,331	\$ 1,299,008
Contributions – capital campaign	5,275,536	-	5,275,536	-
Program income	125,931	-	125,931	64,309
Event revenue, net	550,102	-	550,102	404,867
Gifts in-kind	161,139	-	161,139	154,309
Other income	212,844	-	212,844	117,073
Net assets released from restrictions	166,150	(166,150 )	-	-
<b>Total Revenue and Support</b>	8,105,033	103,850	8,208,883	2,039,566
<b>Expenses:</b>				
Program services	1,855,343	-	1,855,343	1,647,820
Management and general	343,093	-	343,093	407,003
Fundraising	143,991	-	143,991	171,339
<b>Total Expenses</b>	2,342,427	-	2,342,427	2,226,162
<b>Change in Net Assets</b>	5,762,606	103,850	5,866,456	(186,596)
<b>Net Assets, beginning of year</b>	1,958,150	38,650	1,996,800	2,183,396
<b>Net Assets, end of year</b>	\$ 7,720,756	\$ 142,500	\$ 7,863,256	\$ 1,996,800

*See accompanying notes to financial statements.*



# Claris Health

## Statement of Functional Expenses Year Ended June 30, 2024 (With Comparative Totals for the Year Ended June 30, 2023)

	2024							2023	
	Program Activities					Management & General	Fundraising	Total	Total
Medical Program	Mobile Medical Clinic	Support Program	Sexual Health Education	Total Program Services					
Salaries	\$ 532,529	\$ 123,037	\$ 258,867	\$ 107,987	\$ 1,022,420	\$ 178,988	\$ 51,697	\$ 1,253,105	\$ 1,118,472
Employee benefits	12,493	-	12,493	12,493	37,479	9,370	-	46,849	39,206
Payroll taxes	39,119	9,466	19,659	14,824	83,068	8,195	4,889	96,152	86,579
Advertising and marketing	-	-	-	-	-	64,477	-	64,477	80,830
Bank charges	4,917	-	9,835	4,917	19,669	4,917	-	24,586	24,529
Insurance	6,964	5,972	6,964	6,964	26,864	1,957	-	28,821	29,172
IT expenses	38,701	1,005	7,398	3,699	50,803	1,137	-	51,940	35,592
License fees and dues	13,043	-	4,836	2,418	20,297	-	-	20,297	13,831
Lab fees	18,037	39,217	-	-	57,254	-	-	57,254	48,579
Occupancy	89,106	-	121,606	32,500	243,212	24,936	-	268,148	283,957
Office supplies and expenses	16,002	5,455	14,288	3,427	39,172	2,418	5,401	46,991	61,333
Other expenses	-	-	-	-	-	-	10,404	10,404	8,952
Professional fees	40,680	-	66,034	10,425	117,139	30,000	62,200	209,339	237,586
Repairs and maintenance	6,759	9,925	1,622	873	19,179	-	-	19,179	38,824
Staff development	10,359	-	33,738	5,967	50,064	9,038	-	59,102	60,408
Travel and parking	6,209	13,352	6,209	1,947	27,717	3,105	9,400	40,222	26,542
Depreciation	41,006	-	-	-	41,006	4,555	-	45,561	31,770
Total Functional Expenses	\$ 875,924	\$ 207,429	\$ 563,549	\$ 208,441	\$ 1,855,343	\$ 343,093	\$ 143,991	\$ 2,342,427	\$ 2,226,162

See accompanying notes to financial statements.

# Claris Health

## Statement of Cash Flows Year Ended June 30, 2024 (With Comparative Totals for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,866,456	\$ (186,596)
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	45,561	31,770
Amortization of operating lease right-of-use asset	173,299	168,566
Changes in operating assets and liabilities		
Grants receivable	(42,500)	-
Prepaid expenses and other assets	12,188	(11,057)
Accounts payable and accrued expenses	85	11,473
Deferred revenue	(3,002,000)	2,000
Operating lease liabilities	<u>(171,929)</u>	<u>(172,385)</u>
<b>Net cash (used in) provided by operating activities</b>	<u>2,881,160</u>	<u>(156,229)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(5,333,870)</u>	<u>(13,204)</u>
<b>Net cash (used in) investing activities</b>	<u>(5,333,870)</u>	<u>(13,204)</u>
<b>Change in cash</b>	(2,452,710)	(169,433)
<b>Cash - beginning of year</b>	<u>4,893,422</u>	<u>5,062,855</u>
<b>Cash - end of year</b>	\$ <u>2,440,712</u>	\$ <u>4,893,422</u>

*See accompanying notes to financial statements.*

# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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### NOTE 1 - ORGANIZATION PROFILE

Claris Health 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.

In December 2023 the Organization formed a single member limited liability company called Claris Health Campus LLC (the "LLC"). The Organization is its single member. The purpose of the LLC is to hold the real estate that Claris was hoping to purchase, and to eventually develop and operate a health campus. The LLC is a disregarded entity for accounting, federal tax and state tax purposes. Accordingly, these financial statements include the financial statements of Claris Health and the LLC, collectively "the Organization".

### 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, 2024 and 2023.

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.

#### **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

# Clariss Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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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, 2024 and 2023.

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 9.

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 9.

### **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.

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## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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### 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. The allocation of the purchase price of real estate between land and buildings is estimated by management using publicly available market and other data.

### 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, 2024 or 2023.

### 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.

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.

# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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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.

### **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**

Claris 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, Claris 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, 2024 and 2023. Generally, Claris 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.

### **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.

### **NOTE 3: FURNITURE AND EQUIPMENT**

On June 28, 2024 the Organization through its LLC purchased a property, known now as the Claris Health Campus, for \$5,333,870. The Organization intends, over the next several years, to make substantial improvements to the property, including tearing down the existing building, and open it for services to the community when the improvements are complete.

# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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As of June 30, 2024 and 2023, property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>
Claris Health Campus		
Land	\$ 5,000,000	\$ -
Building	<u>333,870</u>	<u>-</u>
Total Claris Health Campus property	5,333,870	-
Leasehold improvements	26,484	26,484
Medical equipment	313,700	313,700
Office equipment	<u>23,164</u>	<u>23,164</u>
	5,697,218	363,348
Less accumulated depreciation	<u>(242,875 )</u>	<u>(197,314 )</u>
	\$ <u>5,454,343</u>	\$ <u>166,034</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$45,561 and \$31,770 respectively.

#### NOTE 4: CAPITAL CAMPAIGN INCOME

On December 13, 2021, a conditional contribution to the Organization of \$3,000,000 was received for the purpose of seeding a capital campaign, to purchase a building. The Organization was required to raise additional funds, estimated at approximately \$9,000,000, in order to purchase a building and renovate it for use as a health campus. Under the terms of this donation, if the remaining funds were not raised before December 31, 2024, or if the project ceased at any point and the building was never purchased, the donation was required to be returned to the family's donor advised fund. Accordingly, as of June 30, 2023 the \$3,000,000 was recorded as deferred revenue.

During the year ended June 30, 2023 the Organization secured intentions to give, not pledges, in the amount of \$5,914,000 to assist with the purchase of a health campus. Being intentions to give and not pledges, these were not recorded in the financial statements. In addition, during the year ended June 30, 2023 an additional \$2,000 conditional pledge was received.

During the year ended June 30, 2024, the Organization secured additional intentions to give, not pledges, of \$130,000, making total intentions to give received as of May 2024 \$6,044,000.

On June 28, 2024, the Organization purchased a property (see Note 3). Accordingly, the conditional contributions in the amount of \$3,002,000 were recognized as unrestricted contributions.

During the year ended June 30, 2024 the Organization received payment on these intentions to give of \$2,290,583, which assisted in the purchase of the property. The Organization recognized these receipts as unrestricted contributions. The Organization has outstanding intentions to give in the amount of

# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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\$3,753,417 as of June 30, 2024. Such funds, assuming they will be received, will help fund the development of the health campus.

### NOTE 5: LEASES

Claris 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, 2024 is \$16,378.

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. Claris 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 2016-02. Accordingly, Claris 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, 2024 are as follows:

Operating right-of use asset	\$ <u>687,586</u>
Operating lease liabilities	\$ <u>738,112</u>

The total lease cost for the year ended June 30, 2024 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, 2024:

Cash paid for amounts included in the measurement of lease liabilities	\$ <u>195,678</u>
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The following is other required disclosure information at June 30, 2024

Remaining weighted lease term in months at June 30, 2024	<u>56</u>
Weighted average risk-free discount rate	<u>2.85%</u>



# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

Future minimum lease payments under these leases are as follows:

Year ended June 30	
2025	201,543
2026	159,029
2027	128,082
2028	131,922
Thereafter	170,094
 Total lease payments	 790,670
 Less - interest	 (52,558)
 Present value of lease liability	 \$ 738,112

Rent expense related to the leases above was \$203,148 and \$195,506 for the years ended June 30, 2024 and 2023, respectively. In addition, for the year ended June 30, 2024 and 2023 the Organization received in-kind rent of 65,000 and 92,268, respectively. See Note 9.

### 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, 2024 and 2023:

2024	January 1	Revenues	Releases	December 31
Restricted for:				
Family Preservation Program	\$ 13,106	\$ -	\$ (13,106 )	\$ -
Lynwood Clinic	-	110,000	(10,000 )	100,000
Marketing	-	50,000	(50,000 )	-
Mental-Health Services	25,544	-	(25,544 )	-
Mobile Medical Unit	-	110,000	(67,500 )	42,500
 Total 2024	 \$ 38,650	 \$ 270,000	 \$ (166,150 )	 \$ 142,500
 Total 2023	 \$ 395,517	 \$ 205,500	 \$ (562,367 )	 \$ 38,650

# Clariss Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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### NOTE 7: EVENT REVENUE – NET

Event revenue- net consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Gross event revenue	\$ 654,260	\$ 523,999
Less direct event expenses	<u>(104,157 )</u>	<u>(119,132)</u>
	\$ <u>550,103</u>	\$ <u>404,867</u>

### NOTE 8: BEQUEST

In November 2023, the Organization was notified they were a percentage remainder beneficiary of a bequest of an individual that passed away in 2022. The Administrator of the Estate indicated that the estate was “large and complex”, and that it is estimated that Claris will ultimately be receiving approximately \$4,000,000 from the estate. In June 2024 the Organization received a portion of the bequest in the amount of \$606,000 and recorded this as a contribution. Due to uncertainty as the timing of the stages involved in settling the estate, the amounts and timing of funds that will ultimately be received, and in pursuit of being conservative, the Organization has elected to account for this bequest on the cash basis and has not recorded a receivable for any amounts to be received in the future.

### NOTE 9: IN-KIND RENT AND SERVICES

During the years ended June 30, 2024 and 2023, the Organization received donations of in-kind rent and services as follows:

	<u>2024</u>	<u>2023</u>
In-kind rent	\$ 65,000	\$ 92,268
In-kind services	<u>96,139</u>	<u>62,041</u>
	\$ <u>161,139</u>	\$ <u>154,309</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.

# Claris Health

## Notes to Financial Statements June 30, 2024 (Comparative Totals - June 30, 2023)

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### NOTE 10: 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, 2024 is as follows:

Cash and cash equivalents	\$ 2,440,712
Grants receivable	<u>42,500</u>
Total financial assets available	2,483,212
Less those unavailable for expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(142,500 )</u>
Financial assets available to meet cash needs for expenditures within one year	\$ <u>2,340,712</u>

### NOTE 11: SUBSEQUENT EVENTS

Claris Health's management has evaluated subsequent events through November 7, 2024, 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.