



Audited Financial Statements

As of and for the Year Ended June 30, 2025

(With Comparative Summarized Financial Information as
of and for the Year Ended June 30, 2024)

Claris Health

Financial Statements
For the Year Ended June 30, 2025

Claris Health

Contents

Independent Auditor's Report	3 - 4
Financial Statements	
Statement of Financial Position	6
Statement of Activities	7
Statement of Functional Expenses	8
Statement of Cash Flows	9
Notes to Financial Statements	10-20

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, 2025, 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, 2025, 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



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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 2024 financial statements of Claris Health were audited by Lewis Sharpstone & Co., now the nonprofit services group of Foumberg, Juneja, Rocher & Co., P.C., and in its report dated November 7, 2024 Lewis Sharpstone & Co. 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, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foumberg, Juneja, Rocher & Co., P.C.

Encino, California
October 30, 2025

Financial Statements

Clariss Health

Statement of Financial Position

June 30, 2025

(With Comparative Totals as of June 30, 2024)

	2025	2024
Assets		
Cash and cash equivalents	\$ 2,262,392	\$ 2,440,712
Investments	1,136,100	-
Grants receivable	146,759	42,500
Prepaid expenses and other assets	38,543	40,370
Operating lease right-of-use assets	509,251	687,586
Property and equipment, net	6,147,664	5,454,343
Total Assets	\$ 10,240,709	\$ 8,665,511
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 105,469	\$ 64,143
Operating lease liabilities	555,281	738,112
Total Liabilities	660,750	802,255
Net Assets		
Without donor restrictions	9,359,959	7,720,756
With donor restrictions	220,000	142,500
Total Net Assets	9,579,959	7,863,256
Total Liabilities and Net Assets	\$ 10,240,709	\$ 8,665,511

See accompanying notes to financial statements.

Clariss Health

Statement of Activities Year Ended June 30, 2025 (With Comparative Totals for the Year Ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contributions - general	\$ 2,236,416	\$ 306,692	\$ 2,543,108	\$ 1,883,331
Contributions – capital campaign	-	723,348	723,348	5,275,536
Program income	139,532	-	139,532	125,931
Event revenue, net	239,615	156,777	396,392	550,102
Gifts in-kind	167,442	-	167,442	161,139
Other income	374,615	-	374,615	212,844
Net assets released from restrictions	1,109,317	(1,109,317)	-	-
Total Revenue and Support	4,266,937	77,500	4,344,437	8,208,883
Expenses:				
Program services	2,077,939	-	2,077,939	1,855,343
Management and general	386,386	-	386,386	343,093
Fundraising	163,409	-	163,409	143,991
Total Expenses	2,627,734	-	2,627,734	2,342,427
Change in Net Assets	1,639,203	77,500	1,716,703	5,866,456
Net Assets, beginning of year	7,720,756	142,500	7,863,256	1,996,800
Net Assets, end of year	\$ 9,359,959	\$ 220,000	\$ 9,579,959	\$ 7,863,256

See accompanying notes to financial statements.

Claris Health

Statement of Functional Expenses Year Ended June 30, 2025 (With Comparative Totals for the Year Ended June 30, 2024)

	2025								2024
	Program Activities								Total
	Medical Program	Mobile Medical Clinic	Support Program	Sexual Health Education	Total Program Services	Management & General	Fundraising	Total	Total
Salaries	\$ 669,420	\$ 107,643	\$ 146,597	\$ 122,726	\$ 1,046,386	\$ 194,979	\$ 55,861	\$ 1,297,226	\$ 1,253,105
Employee benefits	12,107	-	12,107	12,107	36,321	9,079	-	45,400	46,849
Payroll taxes	51,420	10,364	10,364	15,548	87,696	8,700	5,182	101,578	96,152
Advertising and marketing	-	-	-	-	-	77,353	-	77,353	64,477
Bank charges	7,685	7,685	7,685	7,685	30,740	7,685	-	38,425	24,586
Insurance	6,760	5,915	6,760	6,760	26,195	1,973	-	28,168	28,821
IT expenses	37,547	12,419	12,419	12,419	74,804	1,171	-	75,975	51,940
License fees and dues	21,982	5,417	5,417	5,417	38,233	51	-	38,284	20,297
Lab fees	29,460	29,906	-	-	59,366	-	-	59,366	57,254
Occupancy	105,306	-	143,715	38,409	287,430	29,469	-	316,899	268,148
Office supplies and expenses	24,295	3,935	56,839	3,980	89,049	2,700	4,709	96,458	46,991
Other expenses	-	-	-	-	-	-	9,962	9,962	10,404
Professional fees	52,888	-	85,850	13,553	152,291	39,003	80,866	272,160	209,339
Repairs and maintenance	21,014	1,496	1,496	1,551	25,557	-	-	25,557	19,179
Staff development	9,048	43,539	12,398	4,768	69,753	7,957	-	77,710	59,102
Travel and parking	18,748	6,568	-	1,965	27,281	3,284	6,829	37,394	40,222
Depreciation	26,837	-	-	-	26,837	2,982	-	29,819	45,561
Total Functional Expenses	\$ 1,094,517	\$ 234,887	\$ 501,647	\$ 246,888	\$ 2,077,939	\$ 386,386	\$ 163,409	\$ 2,627,734	\$ 2,342,427

See accompanying notes to financial statements.

Claris Health

Statement of Cash Flows Year Ended June 30, 2025 (With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 1,716,703	\$ 5,866,456
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	29,819	45,561
Gain on investments	36,543	-
Dividends received	941	-
Amortization of operating lease right-of-use asset	178,335	173,299
Changes in operating assets and liabilities		
Grants receivable	(104,259)	(42,500)
Prepaid expenses and other assets	1,827	12,188
Accounts payable and accrued expenses	41,326	85
Deferred revenue	-	(3,002,000)
Operating lease liabilities	(182,831)	(171,929)
Net cash provided by operating activities	<u>1,718,404</u>	<u>2,881,160</u>
Cash flows from investing activities		
Purchase of investments	(3,571,336)	-
Proceeds from sale of investments	2,397,752	-
Purchase of property and equipment	-	(5,333,870)
Payments on construction in progress	(723,140)	-
Net cash (used in) investing activities	<u>(1,896,724)</u>	<u>(5,333,870)</u>
Change in cash	(178,320)	(2,452,710)
Cash - beginning of year	<u>2,440,712</u>	<u>4,893,422</u>
Cash - end of year	\$ <u>2,262,392</u>	\$ <u>2,440,712</u>

During the year ended June 30, 2025, the Organization transferred the carrying value of a building that was demolished into construction in progress. The transfer amounted to \$333,870 and represented a noncash investing activity.

See accompanying notes to financial statements.

Claris Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

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, 2025 and 2024.

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 7 for more information on the composition of net assets with donor restrictions.

Claris Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

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 restrictions 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 non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. See Note 10.

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 10.

Contributions of in-kind rent 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.

Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

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.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value. Interest, dividends, and realized and unrealized gains and losses are reported as increases or decreases in net assets without donor restriction, unless a donor or law restricts their use.

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 \$1,000 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

Clariss 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, 2025 or 2024.

Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

Fair Value Measurements

Generally accepted accounting principles 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 inputs 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.

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 employees. Occupancy is allocated based primarily on an 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, 2025 and 2024. 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.

Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

Custodial Credit Risk

Financial instruments which potentially subject Clariss Health to concentrations of credit risk consist of cash and cash equivalents. Clariss 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.

Employee Retention Credit

Under the subsequent extension of the CARES Act, Clariss Health was eligible for a refundable employee retention credit (ERC) subject to certain criteria. In 2021, the extended relief provisions allowed employers with 500 or fewer employees to qualify for the credit. Additional relief provisions passed by the United States government in 2021 increased the tax credit to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee increased to \$10,000 qualified wages per quarter. The final deadline to file retroactive ERC claims was April 15, 2025. During the year ended June 30, 2025, the Organization received an employee retention credit for \$282,435 and this was recorded to other income.

NOTE 3: INVESTMENTS

The Organization's investments consist of fixed income assets. The following table summarizes the valuation of the Organization's investments per the ASC 820 fair value hierarchy levels as of June 30, 2025.

Asset Class	2025			
	Level 1	Level 2	Level 3	Total
Cash	\$ 67,913	\$ -	\$ -	\$ 67,913
Treasury Bills		1,068,187	-	1,068,187
Total	\$ 67,913	\$ 1,068,187	\$ -	\$ 1,136,100

Investment income for the years ended June 30, 2025 and 2024 is summarized as follows:

	2025
Interest and dividend income	\$ 37,484
Realized and unrealized gains (losses)	60,964
Total investment income	\$ 98,448

Investment income is included in other income in the statement of activities.

Claris Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

NOTE 4: 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 intended, 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. The demolition of the building was completed on May 9, 2025 and capitalized to Construction in Progress.

As of June 30, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Claris Health Campus		
Land	\$ 5,000,000	\$ 5,000,000
Building	-	333,870
Total Claris Health Campus property	5,000,000	5,333,870
Leasehold improvements	26,484	26,484
Medical equipment	313,700	313,700
Office equipment	23,164	23,164
Construction in Progress	1,057,010	-
	6,420,358	5,697,218
Less accumulated depreciation	(272,694)	(242,875)
	\$ 6,147,664	\$ 5,454,343

Depreciation expense for the years ended June 30, 2025 and 2024 was \$29,819 and \$45,561 respectively.

NOTE 5: 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.

Claris Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

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 4). 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. At June 30, 2024, the Organization had outstanding intentions to give in the amount of \$3,753,417. Such funds, assuming they will be received, were planned to help fund the development of the health campus.

During the year ended June 30, 2025 the Organization secured additional intentions to give, not pledges, of \$144,550 and received payment on the intentions to give of \$478,045. This helped to cover the costs for the demolition of the building that was completed on May 9, 2025. The Organization recognized these receipts as restricted contributions. The Organization has outstanding intentions to give in the amount of \$3,419,922 as of June 30, 2025.

NOTE 6: LEASES

Claris Health rents space in two locations, West Los Angeles and Lynwood, California, under two leases which go through September 2029 and November 2025, respectively. No options have been exercised to extend the terms of the leases as of June 30, 2025. There are rent escalations as specified in each lease. The monthly aggregate rent payment as of June 30, 2025 is \$16,869.

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 were not readily determinable when the lease new standard was 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, 2025 are as follows:

Operating right-of use asset	\$ <u>509,251</u>
Operating lease liabilities	\$ <u>555,281</u>

The total lease cost for the year ended June 30, 2025 is as follows:

Operating lease cost	\$ <u>197,047</u>
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Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

The following summarizes the supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities	\$ <u>201,543</u>
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The following is other required disclosure information at June 30, 2025

Remaining weighted lease term in months at June 30, 2025	<u>28</u>
Weighted average risk-free discount rate	<u>2.85%</u>

Future minimum lease payments under these leases are as follows:

<u>Year ended June 30</u>	
2026	159,029
2027	128,082
2028	131,922
Thereafter	<u>170,094</u>
Total lease payments	589,127
Less - interest	<u>(33,846)</u>
Present value of lease liability	\$ <u>555,281</u>

Rent expense related to the leases above was \$316,899 and \$268,148 for the years ended June 30, 2025 and 2024, respectively. In addition, for the year ended June 30, 2025 and 2024 the Organization received in-kind rent of 92,268 and 65,000, respectively. See Note 9.

Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

NOTE 7: NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions and movements thereon consisted of the following as of June 30, 2025 and 2024:

2025	July 1	Revenues	Releases	June 30
Restricted for:				
Lynwood Clinic	\$ 100,000	\$ 10,000	\$ (110,000)	\$ -
Medical, educational, support	-	15,000	(15,000)	-
Mobile Medical Unit	42,500	110,000	(42,500)	110,000
Parenting support program	-	15,000	(15,000)	-
Prenatal Program	-	16,692	(16,692)	-
Technology Improvements	-	60,000	-	60,000
West LA Clinic	-	50,000	(50,000)	-
Capital Campaign	-	723,348	(723,348)	-
Fall Event	-	156,777	(106,777)	50,000
Tassi Solutions Project	-	30,000	(30,000)	-
Total 2025	\$ 142,500	\$ 1,186,817	\$ (1,109,317)	\$ 220,000
Total 2024	\$ 38,650	\$ 270,000	\$ (166,150)	\$ 142,500

NOTE 8: EVENT REVENUE – NET

Event revenue- net consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Gross event revenue	\$ 522,400	\$ 654,259
Less direct event expenses	(126,008)	(104,157)
	\$ 396,392	\$ 550,102

NOTE 9: 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. For the year ended June 30, 2025 and 2024, the Organization

Clariss Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

received bequest payments for \$1,212,000 and \$606,000 respectively and recorded these as contributions. Due to uncertainty as the timing of the stages involved in settling the estate, the remaining 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 10: IN-KIND RENT AND SERVICES

During the years ended June 30, 2025 and 2024, the Organization received donations of in-kind rent and services as follows:

	2025	2024
In-kind rent	\$ 92,268	\$ 65,000
In-kind services	29,990	96,139
In-kind goods	45,184	-
	<u>\$ 167,442</u>	<u>\$ 161,139</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.

The value of the in-kind goods was estimated utilizing knowledge of the quantities of the goods donated by the donor and an estimate of the market rate per unit of the goods provided, derived from research of publicly available information for such goods.

NOTE 11: 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.

Claris Health

Notes to Financial Statements June 30, 2025 (Comparative Totals - June 30, 2024)

Financial assets available to meet cash needs for general expenditures within one year of June 30, 2025 is as follows:

Cash and cash equivalents	\$ 2,262,392
Investments	1,136,100
Grants receivable	<u>146,759</u>
Total financial assets available	3,545,251
Less those unavailable for expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(220,000)</u>
Financial assets available to meet cash needs for expenditures within one year	\$ <u>3,325,251</u>

NOTE 12: SUBSEQUENT EVENTS

Claris Health's management has evaluated subsequent events through October 30, 2025 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.