Audited Financial Statements

RealOptions
OBRIA MEDICAL CLINICS

December 31, 2023

Quigley & Miron

Quigley & Miron

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
RealOptions
San Jose, California

Opinion

We have audited the accompanying financial statements of RealOptions (Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 the Organization as of December 31, 2023, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 the Organization'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 the Organization'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 the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2023. In our opinion the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Quigley & Miron

San Jose, California
June 12, 2024

RealOptions
Statement of Financial Position
Year Ended December 31, 2023
(with comparative totals for 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 1,439,913	$ 1,924,963
Restricted cash held for endowment	79,744	645
Investments—Note 3	345,053	61,704
Pledges and grants receivable, net—Note 4	63,182	55,720
ERC grants receivable—Note 5		679,528
Prepaid expenses	5,381	6,557
Deposits	23,046	22,337
Property and equipment, net—Note 6	446,022	467,343
Operating lease right-of-use asset—Note 8	1,169,928	1,293,668
Total Assets	**$ 3,572,269**	**$ 4,512,465**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 71,050	$ 36,940
Salaries and employee benefits payable	193,957	147,091
Operating lease liability—Note 8	1,199,094	1,309,008
Total Liabilities	**1,464,101**	**1,493,039**
Net Assets		
Without donor restrictions—Note 9	2,034,986	2,955,470
With donor restrictions—Note 10	73,182	63,956
Total Net Assets	**2,108,168**	**3,019,426**
Total Liabilities and Net Assets	**$ 3,572,269**	**$ 4,512,465**

See notes to financial statements.

RealOptions
Statement of Activities
Year Ended December 31, 2023
(with comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating Activities				
Support and Revenue				
Contributions and grant income	$ 2,484,336	$	$ 2,484,336	$ 2,388,478
Government grants	405,022		405,022	450,000
ERC grants—Note 5	71,101		71,101	812,085
Special events				
Gross revenue	565,333	63,182	628,515	721,788
Less cost of direct benefit to donors	(146,763)		(146,763)	(124,595)
Special Events, Net	**418,570**	**63,182**	**481,752**	**597,193**
In-kind contributions—Note 12	19,160		19,160	7,200
Program income	111,783		111,783	64,451
Interest income	25,178	237	25,415	13,205
Other revenue	14,201		14,201	
Net assets released from restrictions	55,720	(55,720)		
Total Support and Revenue	**3,605,071**	**7,699**	**3,612,770**	**4,332,612**
Expenses				
Reproductive healthcare services	3,607,668		3,607,668	3,031,758
Management and general	543,055		543,055	644,964
Fund development	378,771		378,771	409,938
Total Expenses	**4,529,494**		**4,529,494**	**4,086,660**
Change in Net Assets from Operations	**(924,423)**	**7,699**	**(916,724)**	**245,952**
Nonoperating Activities				
Investment return, net—Note 3	3,939	1,527	5,466	(16,373)
Total Nonoperating Activities	**3,939**	**1,527**	**5,466**	**(16,373)**
Change in Net Assets	**(920,484)**	**9,226**	**(911,258)**	**229,579**
Net Assets at Beginning of Year	**2,955,470**	**63,956**	**3,019,426**	**2,802,326**
Cumulative effect of adoption of ASU 2016-02, Leases—Note 8				(12,479)
Net Assets at End of Year	**$ 2,034,986**	**$ 73,182**	**$ 2,108,168**	**$ 3,019,426**

See notes to financial statements.

RealOptions
Statement of Functional Expenses
Year Ended December 31, 2023
(with comparative totals for 2022)

	Reproductive Healthcare Services	Management and General	Fund Development	Special Events	2023 Total	2022 Total
Expenses						
Salaries	$ 1,939,660	$ 136,917	$ 205,376	$	$ 2,281,953	$ 2,056,544
Payroll taxes	145,857	10,296	15,444		171,597	162,826
Employee benefits	103,973	7,339	11,009		122,321	125,321
Total Personnel Expenses	**2,189,490**	**154,552**	**231,829**		**2,575,871**	**2,344,691**
Professional fees	327,913	211,566	64,928		604,407	434,510
Occupancy	354,748	63,673	36,384		454,805	423,842
Marketing and outreach	362,241				362,241	339,793
Cost of direct benefit to donors				146,763	146,763	124,595
Supplies and minor equipment	52,214	9,372	5,355		66,941	100,023
Depreciation	49,156	8,823	5,042		63,021	58,893
Services and practical support	47,209	8,473	4,842		60,524	69,764
Bank and merchant fees		47,118			47,118	52,128
Staff and volunteer training	45,472				45,472	8,133
Other expenses	6,403	23,540	14,173		44,116	37,763
Travel and Conferences	36,964	2,609	3,914		43,487	46,729
Printing and publications	36,270	2,560	3,840		42,670	36,417
Dues and subscriptions	34,940	2,466	3,700		41,106	44,934
Telecommunications	21,513	3,861	2,206		27,580	28,866
Medical supplies	18,201				18,201	17,212
Insurance	12,762	2,291	1,309		16,362	14,984
Licenses, permits, and fees	11,859	2,129	1,216		15,204	27,450
Postage and delivery	313	22	33		368	528
Total Expenses by Function	**3,607,668**	**543,055**	**378,771**	**146,763**	**4,676,257**	**4,211,255**
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors				(146,763)	(146,763)	(124,595)
Total Expenses	**$ 3,607,668**	**$ 543,055**	**$ 378,771**	**$**	**$ 4,529,494**	**$ 4,086,660**

See notes to financial statements.

RealOptions
Statement of Cash Flows
Year Ended December 31, 2023
(with comparative totals for 2022)

	2023	2022
Cash Flows from Operations		
Change in net assets	$ (911,258)	$ 229,579
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	63,021	58,893
Noncash lease expenses	123,740	(1,057,348)
Investment gains (losses)	(7,418)	15,647
Changes in operating assets and liabilities:		
Pledges and grants receivable, net	(7,462)	57,255
ERC grants receivable	679,528	(679,528)
Prepaid expenses	1,176	614
Deposits	(709)	
Accounts payable and accrued expenses	34,110	4,350
Salaries and employee benefits payable	46,866	14,705
Operating lease liability	(109,914)	1,060,209
Cash Used in Operating Activities	**(88,320)**	**(295,624)**
Cash Flows from Investing Activities		
Purchases of property and equipment	(41,700)	
Purchases of investments	(284,186)	(25,925)
Proceeds from sales and maturities of investments	8,255	17,620
Cash Used in Investing Activities	**(317,631)**	**(8,305)**
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(405,951)**	**(303,929)**
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	**1,925,608**	**2,229,537**
Cash, Cash Equivalents, and Restricted Cash at End of Year	**$ 1,519,657**	**$ 1,925,608**
Supplementary Disclosures		
Income taxes paid	$	$
Interest paid	$	$

See notes to financial statements.

Note 1—Organization and Summary of Significant Accounting Policies

Organization—RealOptions (Organization) is a California not-for-profit corporation, incorporated in 1981 in the State of California. The Organization provides compassionate, comprehensive, high quality holistic healthcare, support services, optimal health education, and pregnancy loss healing to women, men, students, and families. They have five licensed medical clinic locations serving Alameda, San Mateo, and Santa Clara Counties devoted to caring for patients physically, emotionally, and spiritually. We offer a broad spectrum of prevention, intervention, and restorative services to the community positively impacting thousands of students and families each year. The Organization has a holistic approach to health care and is committed to meeting our patient's physical, emotional, and spiritual needs. They provide well woman care, STD testing and treatment, pregnancy option consultations, pregnancy tests, ultrasound imaging, prenatal care, abortion pill reversal treatment, childbirth and parenting classes, and material support in the form of maternity clothing, emergency formula, diapers, and new car seats. They also provide pregnancy loss healing programs to anyone impacted by miscarriage or abortion, as well as Optimal Health Education in schools, youth groups, and community organizations for fifth through twelfth grade students and their parents.

In 2023 RealOptions safeguarded the lives of 6,113 women, men, students and preborn babies through our medical clinics, RealTalk Education, and Reproductive Loss Healing programs. Through our medical clinics we served 3,217 unique patients providing 6,661 life affirming services which included: 1,204 pregnancy tests, 2,023, ultrasounds 87 STD screenings, 1,204 pregnancy options consultations, 225 prenatal exams, 12 abortion pill reversal treatments, 119 well woman exams and over 10,412 material support items given to families in need.

In 2023 RealOptions executed year four of our Title V, Sexual Risk Avoidance Education grant, the first in our 43-year history. We were also awarded the SRAE grant, another first in the history of RealOptions. This Award widened our reach to local and under-served students in Santa Clara and Alameda Counties for Optimal Health Education which includes Healthy Relationship and Sexual Risk Avoidance curriculums. In 2023 we provided 463 presentations to reach 2,050 students, faculty, and parents at 35 schools and organizations, with a total of 11,760 total hours of student impact. RealOptions operates clinics serving San Mateo, Alameda, and Santa Clara Counties of the SF Bay Area. We were able to grow the number of people served in these communities through our community outreach team and by employing comprehensive digital marketing programs.

In 2023, we continued to utilize our Benevolence Committee to oversee the distribution of funds to help patients with desperate financial needs. The Committee consists of our Director of Operations & HR, our Senior Director of Community Outreach, and a donor who is a previous board member. Patients must file a simple but detailed application for assistance, and once an application is approved by the Committee the funds are paid directly to their needed request (ie: gas bill, landlord for rent, etc.)

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the Organization and changes therein are presented and reported as follows:

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 the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Note 1—Organization and Summary of Significant Accounting Policies—*Continued*

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. 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. It is the policy of the Organization to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Organization's reproductive healthcare services; nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Organization is similarly exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements.

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 December 31, 2023 and 2022. Generally, the Organization's information returns remain open for examination for periods of three (federal) or four (state of California) years from the date of filing.

Recently Adopted Accounting Principles

Gifts-in-Kind—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. Additional disclosures are required regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. The Organization has adopted ASU No. 2020-07 for the year ended December 31, 2022 on a retrospective basis, which resulted in no change to revenue previously reported and no effect on revenue reported for the year ended December 31, 2022.

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This standard requires lessees to recognize the assets and liabilities that arise from the leases on the balance sheet. Additionally, in July 2018, the FASB issued ASU 2018-11 *Leases (Topic 842)–Targeted Improvements,* which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative effect adjust to the opening balance of net assets without donor restrictions in the period of adoption. The Organization adopted ASU No. 2016-02 and its related amendments on a retrospective approach as of January 1, 2022, which resulted in the recognition of an operating right-of-use asset totaling $236,230, as well as an operating lease liability totaling $248,799, resulting in a cumulative adjustment of $(12,479). The Organization elected to adopt the transition relief from provisions ASU 2018-11 as of January 1, 2022, without restating any prior year amounts or disclosures.

Note 1—Organization and Summary of Significant Accounting Policies—*Continued*

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Cash, Cash Equivalents, and Restricted Cash—Cash and cash equivalents consist of cash on premises generated through the course of daily activities and cash on deposit with banks as well as money market funds or short-term investments held at financial institutions, with original maturities of three months or less from the date of purchase. Restricted cash consists of cash funds held for endowment.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the cash, cash equivalents, and restricted cash total shown in the statement of cash flows at December 31, 2023 and 2022:

	2023	2022
Cash Accounts Reported in Statement of Financial Position		
Cash and cash equivalents	$ 1,439,913	$ 1,924,963
Restricted cash held for endowments	79,744	645
Total Cash, Cash Equivalents, and Restricted Cash Reported in Statement of Cash Flows	**$ 1,519,657**	**$ 1,925,608**

Restricted cash held for endowment on the statement of financial position includes restricted cash received with a donor-imposed restriction that limits the use of that cash for long-term purposes.

Concentration of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. Such cash balances may exceed FDIC insurance limits during the normal course of business.

Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to $250,000 and the investments in securities are insured up to $500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in the market value.

The Organization is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. The Organization's management has assessed the credit risk associated with its cash deposits and investments held at December 31, 2023 and 2022 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments, however, due to the current risk and uncertainties affecting financial institutions (see Note 14), the related impact cannot be reasonably estimated at this time.

Allowance for Doubtful Accounts—The Organization has set a 10% allowance for uncollectible amounts for pledges received during its fundraising events. This rate was determined based upon prior history of collections.

Note 1—Organization and Summary of Significant Accounting Policies—*Continued*

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses are reported as unrestricted income unless use of the earnings is restricted by the donor.

Property and Equipment—Purchased property and equipment are recorded at cost, and donated assets are recorded at the estimated fair value on the date of receipt. The Organization depreciates its property and equipment using the straight-line-method over the following estimated useful lives:

Furniture, fixtures and equipment	3-10 years
Building improvements	10-20 years
Buildings	55 years
Exhibition and media development costs	5-10 years

The Organization follows the practice of capitalizing all expenditures of property in excess of $5,000.

Repairs and maintenance costs are expensed as incurred. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used and gifts of cash or other assets that must be used to acquire and maintain long-lived assets are reported as restricted support. Absent explicit donor stipulations, the Organization reports expirations of donor restrictions when such long-lived assets are placed in service.

Contributions and Grants—Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition—The Organization's revenue recognition policies are as follows:

Government grants—Revenues from government grants are reported as increases in net assets without donor restrictions, when allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as pledges and grants receivable. Amounts received in excess of amounts expended are recorded as deferred revenue.

Special event income—Special event income is recognized when such income is received. A portion of the gross special event proceeds paid by the participants represents payment for the direct cost of benefits received by the participants at the event. The Organization values such benefits at the actual cost.

Program income—Revenues from services revenue are recognized at the time services are provided.

Interest income—Interest income is recognized when received and is reported under revenues and support in the statement of activities.

In-Kind Contributions—The Organization records the value of donated materials and services at their fair value at the date of donation. In-kind services are recorded only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are fully utilized for the Organization's reproductive health services, and are reported without donor restriction, unless otherwise noted. The Organization measures donated services using comparable market rates for the services rendered.

Note 1—Organization and Summary of Significant Accounting Policies—*Continued*

Contributed Services—A substantial number of volunteers have donated a significant number of hours devoted to the Organization's program services, management and general, and fundraising activities. During the years ended December 31, 2023 and 2022, the Organization's network of volunteers donated over 7,405 and 6,674 service hours valued at approximately $221,906 and $200,220, respectively. Such donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards.

Functional Expenses—The costs of providing the various program and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been directly charged to the program services and supporting services benefitted. Occupancy, depreciation, supplies, materials, and minor equipment, telecommunications, insurance, and taxes, licenses, permits and fees are allocated based upon square footage. Salaries, payroll taxes, other employee benefits, professional fees, printing and publications, other expenses, dues and subscriptions, travel, meetings, and memberships, and postage and delivery are allocated on the basis of time and effort. All other functional expenses are charged directly to the function benefited.

Marketing and Outreach—Marketing and Outreach costs are expensed as incurred and amounted to $362,241 and $339,793 for the years ended December 31, 2023 and 2022.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications—Certain amounts in 2022 have been reclassified to conform with the 2023 financial statement presentation.

Note 2—Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

The following represents the availability and liquidity of the Organization's financial assets at December 31, 2023 and 2022 to cover operating expenses for the next fiscal year:

	2023	2022
Cash and cash equivalents, net of donor restrictions	$ 1,439,913	$ 1,924,963
Pledges and grants receivable, net	63,182	55,720
ERC grants receivable		679,528
Current Availability of Financial Assets	**$ 1,503,095**	**$ 2,660,211**

Note 3—Investments and Fair Value Measurements

In determining the fair value of assets and liabilities, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no assets or liabilities classified at NAV as a practical expedient during the years ended December 31, 2023 and 2022.

Investments measured on a recurring basis at December 31, 2023 consist of the following:

	Fair Value	Level 1	Level 2	Level 3
Equities	$ 51,290	$ 51,290	$	$
Exchange traded funds	255,750	255,750		
Mutual funds	38,013	38,013		
Totals	**$ 345,053**	**$ 345,053**	**$**	**$**

Investments measured on a recurring basis at December 31, 2022 consist of the following:

	Fair Value	Level 1	Level 2	Level 3
Equities	$ 29,917	$ 29,917	$	$
Exchange traded funds	31,787	31,787		
Totals	**$ 61,704**	**$ 61,704**	**$**	**$**

Investment return for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Unrealized investment gain	$ 7,418	$ (15,647)
Investment management fees	(1,952)	(726)
Investment Return, Net	**5,466**	**(16,373)**
Interest and dividends	25,415	13,205
Total Return on Investment	**$ 30,881**	**$ (3,168)**

Note 4—Pledges and Grants Receivable, Net

Net pledges and grants receivable at December 31, 2023 and 2022 consist of amounts

	2023	2022
Due within 1 year	$ 71,666	$ 64,946
Less allowance for doubtful accounts	(8,484)	(9,226)
Pledges and Grants Receivable, Net	**$ 63,182**	**$ 55,720**

Note 5—ERC Grants

During the years ended December 31, 2023 and 2022, the Organization was eligible and applied for employee retention credits (ERC) totaling $883,186. This is included in ERC grants in the statement of activities and in ERC grants receivable in the statement of financial position. ERC grants receivable amounted to $679,528 at December 31, 2022, and was received in full during the year ended December 31, 2023.

Note 6—Property and Equipment, Net

The major classes of property and equipment, net at December 31, 2023 and 2022 are as follows:

	2023	2022
Leasehold improvements	$ 580,134	$ 580,134
Equipment and furniture	552,816	511,116
Total Property and Equipment	**1,132,950**	**1,091,250**
Less accumulated depreciation	(686,928)	(623,907)
Property and Equipment, Net	**$ 446,022**	**$ 467,343**

Total depreciation expense recorded for the years ended December 31, 2023 and 2022 was $63,021 and $58,893, respectively.

Note 7—Contingencies

In the ordinary course of business, the Organization may be involved in legal proceedings and regulatory investigations. In September 2023, the California Attorney General filed a lawsuit against the Organization seeking to block the Organization from advertising abortion pill reversal as safe and effective. The lawsuit seeks an unspecified amount of monetary and nonmonetary relief and substantial post judgement judicial supervision.

Management believes that the outcome of such matters existing at December 31, 2023 will be resolved without material adverse effect on the Organization's future financial position, changes in net assets, or cash flows.

Note 8—Operating Lease Liability

In October 2022, the Organization signed a lease agreement for office space, under an operating lease agreement which expires October 2030. The lease calls for monthly payments escalating each year from $11,291 to $15,260 over the term of the lease.

In April 2023, the Organization renewed a lease agreement for office space for a term of three years. The lease calls for monthly payments escalating each year from $6,000 to $6,556 over the term of the lease. Future minimum annual rental commitments by year for this operating lease with maturity greater than one year from December 31, 2023 are as follows:

For the Year Ending December 31,		
2024	$	220,596
2025		227,955
2026		229,121
2027		163,878
2028		170,433
Thereafter		329,851
Gross Rental Payments		**1,341,834**
Less effect of discounting at 2.9%		(142,740)
Operating Lease Liability	**$**	**1,199,094**

The Organization leases two additional locations under non-cancellable lease agreements with month-to-month leases totalling $10,316.

Rent expense for the years ended December 31, 2023 and 2022 was $430,868 and $395,375, respectively.

Note 9—Net Assets without Donor Restrictions

Net assets without donor restrictions at December 31, 2023 and 2022 are as follows:

		2023		2022
Board designated endowment funds	$	159,048	$	54,114
Undesignated		1,875,938		2,901,356
Total Net Assets without Donor Restrictions	**$**	**2,034,986**	**$**	**2,955,470**

Note 10—Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2023 and 2022 consist of the following:

		2023		2022
Subject to time restrictions				
General support	$	63,182	$	55,720
Held in perpetuity				
General support		10,000		10,000
Underwater endowment				(1,764)
Total Net Assets with Donor Restrictions	**$**	**73,182**	**$**	**63,956**

Note 10—Net Assets with Donor Restrictions—*Continued*

Net assets released from donor restrictions for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Satisfaction of purpose restrictions:		
Medical Training	$	$ 7,447
Practical support		6,810
Satisfaction of passage of time		
General support	55,720	112,975
Total Net Assets Released from Donor Restrictions	**$ 55,720**	**$ 127,232**

Note 11—Endowment Net Assets

In 2009, the State of California adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

The Organization classifies net assets held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets held in perpetuity is classified as net assets subject to appropriation and expenditure until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Organization and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Organization
7) The investment policies of the Organization

Return Objectives and Risk Parameters—The Organization has adopted an investment policy with the primary investment objective to maximize total return, while assuming an appropriate level of risk given the nature of the funds under management. The goal is to produce a growing level of income and principal to ensure funding for the activities supported by the endowment can be maintained in the face of inflation.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term objectives within prudent risk restraints. The Board is aware that there is an implicit understanding that the market value of the donor-restricted endowment may, from time to time, fall below the fair value of the original gift as of the gift date due to market conditions or continued prudent expenditures by the Board of certain amounts of the endowment. If such a temporary deficit condition occurred, the Board would take all prudent steps, given ongoing market conditions, to restore the fair value of the fund to an amount at or above the amount of the original gift.

Note 11—Endowment Net Assets—*Continued*

Endowment net assets at December 31, 2023 and 2022 consisted of the following:

	Board Designated	Subject to Appropriation	Held in Perpetuity	Total
Board designated funds	$ 54,114	$	$	$ 54,114
With donor restrictions		(1,764)	10,000	8,236
Endowment Net Assets at December 31, 2022	**$ 54,114**	**$ (1,764)**	**$ 10,000**	**$ 62,350**

	Board Designated	Subject to Appropriaton	Held in Perpetuity	Total
Board designated funds	$ 159,048	$	$	$ 159,048
With donor restrictions			10,000	10,000
Endowment Net Assets at December 31, 2023	**$ 159,048**	**$**	**$ 10,000**	**$ 169,048**

Change in endowment net assets for the years ended December 31, 2023 and 2022 consists of:

	Board Designated	Subject to Appropriation	Held in Perpetuity	Total
Endowment Net Assets at December 31, 2021	**$ 66,426**	**$ 115**	**$ 10,000**	**$ 76,541**
Interest income	1,886	296		2,182
Investment losses	(13,568)	(2,079)		(15,647)
Investment expenses	(630)	(96)		(726)
Endowment Return, Net	**(12,312)**	**(1,879)**		**(14,191)**
Endowment Net Assets at December 31, 2022	**54,114**	**(1,764)**	**10,000**	**62,350**
Interest income	1,556	237		1,793
Investment gains	6,010	1,619		7,629
Investment expenses	(606)	(92)		(698)
Endowment Return, Net	**6,960**	**1,764**		**8,724**
Contributions	97,974			97,974
Endowment Net Assets at December 31, 2023	**$ 159,048**	**$**	**$ 10,000**	**$ 169,048**

Note 12—In-Kind Contributions

During the years ended December 31, 2023 and 2022, the Organization recognized in-kind contributions of donated supplies. The value of these contributed services and supplies are recorded at their fair market value.

For the years ended December 31, 2023 and 2022, in-kind contributions are reported in the statement of functional expenses as follows:

	2023	2022
Client outreach	$ 19,160	$ 7,200
Total In-Kind Contributions	**$ 19,160**	**$ 7,200**

Note 13—Retirement Plan

The Organization sponsors a 403(b) defined contribution plan (Plan). The Plan covers all full-time employees immediately upon employment. The Organization did not make any contributions to the plan during the years ended December 31, 2023 and 2022.

Note 14—Risks and Uncertainties

In March 2023 the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As noted in Note 1, the Organization maintains cash and cash equivalents balances in excess of federally-insured limits. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

Note 15—Subsequent Events

Management evaluated all activities of RealOptions through June 12, 2024, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.