Sonnenberg & Company, CPAs
A Professional Corporation
5190 Governor Drive, Suite 201, San Diego, California 92122
Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX
Leonard C. Sonnenberg, CPA

The Clearity Foundation
Audited Financial Statements
Year Ended September 30, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

Sonnenberg & Company, CPAs
A Professional Corporation
5190 Governor Drive, Suite 201, San Diego, California 92122
Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX
Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Clearity Foundation

Opinion

We have audited the accompanying financial statements of The Clearity Foundation (Clearity, a nonprofit organization), which comprise the statement of financial position as of September 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 Clearity as of September 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 Clearity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter-Sale of Assets and Termination of Operations

As discussed in Note 10 to the financial statements, on September 24, 2024, Clearity entered into an agreement to sell substantially all of Clearity's assets and terminate operations on January 1, 2025. Our opinion is not modified with respect to that matter.

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 Clearity 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Member: The American Institute of Certified Public Accountants and California Society of Certified Public Accountants

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 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 Clearity'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 Clearity'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 Clearity's September 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sonnenberg & Company

December 12, 2024

Sonnenberg & Company, CPAs

The Clearity Foundation
Statement of Financial Position
As of September 30, 2024
(With Comparative Information as of September 30, 2023)

	2024	2023
ASSETS		
Cash	$ 466,612	$ 387,506
Investments	511,309	407,395
Contributions receivable	175,250	245,050
Employee Retention Credit receivable	-	300,093
Prepaid expenses and refunds receivable	37,849	25,623
Furniture and equipment	2,287	2,287
Less: accumulated depreciation	(2,287)	(1,486)
TOTAL ASSETS	$ 1,191,020	$ 1,366,468
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 10,065	$ 8,920
Payroll liabilities	34,611	66,189
Total liabilities	44,676	75,109
Net Assets		
Without donor restrictions		
Undesignated	480,844	511,359
Designated by the Board for operating reserve	515,500	600,000
With donor restrictions		
Purpose restrictions	-	55,000
Time-restricted for future periods	150,000	125,000
Total net assets	1,146,344	1,291,359
TOTAL LIABILITIES AND NET ASSETS	$ 1,191,020	$ 1,366,468

The accompanying notes are an integral part of the financial statements

The Clearity Foundation
Statement of Activities
For the Year Ended September 30, 2024
(With Summarized Comparative Information for the Year Ended September 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE AND SUPPORT				
Contributions and grants	$ 1,135,705	$ 100,000	$ 1,235,705	$ 1,658,161
Employee Retention Credit income			-	300,093
Special events	649,908		649,908	587,380
Less: cost of direct benefits to donors	(117,156)		(117,156)	(140,692)
Net special event revenue	532,752	-	532,752	446,688
Net investment return	18,589		18,589	6,984
Net assets released from restrictions:	130,000	(130,000)	-	-
TOTAL REVENUE AND SUPPORT	1,817,046	(30,000)	1,787,046	2,411,926
EXPENSES				
Program Services	1,106,811		1,106,811	1,354,872
Supporting Services				
Management and General	268,018		268,018	314,562
Fundraising	557,232		557,232	409,406
Total Supporting Services	825,250	-	825,250	723,968
TOTAL EXPENSES	1,932,061	-	1,932,061	2,078,840
CHANGE IN NET ASSETS	$ (115,015)	$ (30,000)	$ (145,015)	$ 333,086
BEGINNING NET ASSETS	1,111,359	180,000	1,291,359	958,273
ENDING NET ASSETS	$ 996,344	$ 150,000	$ 1,146,344	$ 1,291,359

The accompanying notes are an integral part of the financial statements

The Clearity Foundation
Statement of Functional Expenses
For the Year Ended September 30, 2024
(With Summarized Comparative Information for the Year Ended September 30, 2023)

	Program Services	Management and General	Fundraising	2024	2023
Personnel and related expenses					
Salaries and wages	$ 786,721	$ 132,107	$ 314,871	$ 1,233,699	$ 1,356,892
Payroll taxes	64,976	9,521	26,070	100,567	114,513
Payroll processing fees	4,651	5,466	1,718	11,835	13,628
Employee benefits	2,317	5,972	8,774	17,063	8,847
Total personnel and related expenses	858,665	153,066	351,433	1,363,164	1,493,880
Operating expenses					
Accounting and audit		51,439		51,439	35,981
Cost of direct benefits to donors			117,156	117,156	140,692
Depreciation		801		801	509
Events			39,729	39,729	6,932
Insurance		8,814		8,814	10,016
Office expenses	207	1,920	4,841	6,968	12,152
Office rent				-	10,200
Other expenses	727	8,152	896	9,775	7,223
Outside contract services	236,018	23,688	135,485	395,191	471,807
Printing, postage, and shipping	36	2,828	17,696	20,560	2,973
Telephone and internet	11,158	2,732	4,105	17,995	16,127
Travel and meetings		14,578	3,047	17,625	11,040
Total operating expenses	248,146	114,952	322,955	686,053	725,652
Total expenses by function	$ 1,106,811	$ 268,018	$ 674,388	$ 2,049,217	$ 2,219,532
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors			(117,156)	(117,156)	(140,692)
Total expenses included in the expense section on the statement of activities	$ 1,106,811	$ 268,018	$ 557,232	$ 1,932,061	$ 2,078,840

The accompanying notes are an integral part of the financial statements

The Clearity Foundation
Statement of Cash Flows
For the Year Ended September 30, 2024
(With Comparative Information for the Year Ended September 30, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (145,015)	$ 333,086
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	801	509
Proceeds from sale of donated securities	(5,325)	(139,500)
(Increase) / decrease in:		
Contributions receivable	69,800	240,872
Employee Retention Credit receivable	300,093	(300,093)
Prepaid expenses and refunds receivable	(12,226)	32,173
Security deposit	-	2,710
Increase / (decrease) in:		
Accounts payable	1,145	(41,723)
Payroll liabilities	(31,578)	28,477
Net cash provided by operating activities	177,695	156,511
Cash flows from investing activities:		
Sale of investments	496,881	-
Sale of equipment	-	1,296
Purchase of investments	(576,881)	(233,909)
Reinvestment of interest	(18,589)	(6,979)
Net cash used in investing activities	(98,589)	(239,592)
Net increse (decrease) in cash	79,106	(83,081)
Cash at beginning of year	387,506	470,587
Cash at end of year	$ 466,612	$ 387,506

The accompanying notes are an integral part of the financial statements

Note 1. Organization and Purpose

The Clearity Foundation (Clearity) was incorporated on August 31, 2007 as a nonprofit public benefit corporation under the California Nonprofit Public Benefit Corporation Law. Clearity was founded by ovarian cancer survivor, scientist and entrepreneur, Laura Shawver, Ph.D. and is supported entirely by charitable contributions. Clearity gives hope to women with ovarian cancer and their families while seeking to revolutionize ovarian cancer treatment.

Every year, more than 22,000 women are diagnosed with ovarian cancer. Unfortunately, survival improvements are decades behind other cancers. Clearity is working to change that.

Clearity believes that all women deserve the best possible therapies for their unique disease and the best possible emotional support for their unique life challenges. To achieve this, Clearity:

- Shares the latest information on treatment options.
- Guides women to clinical trials where appropriate.
- Offers professional emotional support and educational resources to women and caregivers.
- Provides an online community with information and social support.

All of Clearity's services are provided free of charge. Clearity believes all patients should have access to the most advanced care, personalized for them, regardless of their ability to pay.

Clearity takes a comprehensive, hands-on approach to help women understand the treatments that may work best against their unique disease. Assessing their medical history, as well as tumor molecular profiles and other diagnostics, Clearity professionals help women understand their treatment options.

Clearity believes that all women and active caregivers deserve compassionate and professional emotional support while managing an ovarian cancer diagnosis. To this end, Clearity provides psychosocial support with personalized, one-on-one assistance, which helps individuals manage the stress and challenges of their ovarian cancer journey. The program offers ten sessions of professional support over the course of six months to both patients/survivors and active caregivers as well as educational content, resources, and referrals.

Clearity exists to help women find credible information about their ovarian cancer and the treatments that can help them survive. Clearity also exists to support women and caregivers through an emotionally challenging period in their lives. Clearity's scientists and mental health professionals know that cancer's impact goes way beyond a clinical diagnosis. Clearity's goal is to understand each patient's unique priorities and needs. That means long, purposeful discussions informed by both science and compassion.

Note 2. Summary of Significant Accounting Policies

Basis of Financial Presentation: The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Clearity's Board of Directors designated, from net assets without donor restrictions, net assets in the amount of $515,500 for operating reserves.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, 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.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash in banks and highly liquid investments with an initial maturity of three months or less, except for those amounts held by Clearity investment managers as part of a long-term strategy.

Fair Value Measurements: Clearity measures fair value at the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.
Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
Level 3: Significant unobservable inputs for the asset or liability.

Note 2. Summary of Significant Accounting Policies (continued)

Investments: Investments are stated at fair value based on quoted market prices. Net investment return is reported in the statement of activities net of external and direct internal investment expenses.

Contributions Receivable: Clearity recognizes a receivable and contribution revenue at the time a promise is made by the donor if it is verifiable, measurable, and probable of collection. Contributions receivable in future years have an implied restriction to be used in the year the payment is received and, therefore, are reported as net assets with donor restrictions. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All outstanding balances at year end are analyzed for collectability through a review of specific accounts that factor in historical trends. Management has determined that no allowance for uncollectable accounts should be established as of September 30, 2024.

Property and Equipment: Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. Clearity capitalizes expenditures for property and equipment in excess of $2,000. Depreciation is computed using the straight-line method over the useful lives of the assets.

Compensated Absences: Clearity has an unlimited paid time off policy. Under the policy, no particular time off is promised, guaranteed, vested, or accrued. Compensation is not reduced for taking time off. With their manager's approval, employees may use as much time as they need for purposes such as vacation, relaxation, personal or family matters, illness, leave for jury duty, bereavement, and various other leave types. Unpaid employee leave benefits accrued prior to the conversion to unlimited PTO policy are recognized as liabilities of Clearity. Accrued vacation liability in the amount of $32,140 as of September 30, 2024 is included in payroll liabilities on the accompanying financial statements. Pre-conversion PTO balances will be paid out to employees at the time of employee termination of services.

Revenue and Revenue Recognition: Contributions and grants are recognized when the donor makes a promise to give that is in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Special events revenue is recognized immediately, unless there is a right of return if the special event does not take place. Contributions and special events revenue are reported net of online processing fees.

Contributed Nonfinancial Assets: Volunteers contribute significant amounts of time to Clearity's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed professional services are recorded at the respective fair values of the services received if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Clearity. Contributed goods are recorded at fair value on the date of donation.

Note 2. Summary of Significant Accounting Policies (continued)

Donated Securities: Clearity's policy is to sell donated securities upon receipt. Therefore, such donations are immediately converted to cash and included in contributions in the accompanying financial statements.

Functional Allocation of Expenses: The costs of providing various services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Clearity. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel and related expenses are allocated based on employee time attributed to program activities or supporting services. Overhead costs, which include telephone, internet, and office expenses are allocated based on weighted average of personnel costs attributed to program activities or supporting services.

Leases: Clearity determines if an arrangement is or contains a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of, and obtain substantially all of the economic benefit from, the use of an asset for a period of time in exchange for consideration.

Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Clearity does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Recently Adopted Authoritative Guidance: In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326). The guidance requires entities to record an allowance for expected credit losses over the contractual term of certain financial assets, including trade receivables and contract assets, and expands disclosure requirements for credit quality of financial assets.

Clearity adopted this standard effective July 1, 2023 using the modified retrospective method. The adoption of this standard did not have a material impact on the financial statements and disclosures.

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates under different assumptions or conditions.

Note 2. Summary of Significant Accounting Policies (continued)

Comparative Financial Information: The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Clearity's audited financial statements for the year ended September 30, 2023, from which the summarized information was derived. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 3. Income Tax Status

Clearity is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code. Clearity qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii) and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that Clearity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the year ended September 30, 2024. Management has evaluated its tax positions and related income tax contingencies and does not believe that any material uncertain tax positions exist.

Note 4. Liquidity and Availability of Financial Assets

Clearity's financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date are as follows:

Cash	$	466,612
Investments		511,309
Contributions receivable		175,250
Overpayment refund receivable		11,760
Total financial assets	$	1,164,931
Less amounts not available to meet general expenditures within one year:		
Board-designated operating reserves		(515,500)
Financial assets available to meet general expenditures within one year	$	649,431

Board-designated operating reserves in the amount of $515,500 are available for general expenditure with Board approval, if necessary. As part of Clearity's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 5. Concentrations

Clearity's cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000. As of September 30, 2024, the uninsured cash balance is $224,100.

Contributions receivable potentially subject Clearity to credit risk. As of September 30, 2024, three contributors accounted for 99% of contributions receivable, which are expected to be fully collectible.

For the year ended September 30, 2024, Clearity received approximately 37% of its support and revenue from Clearity's founder and board member, Dr. Shawver.

Note 6. Investments

Funds in Merrill Lynch Bank Deposit account totaling $6,647 and in Charles Schwab Money account totaling $502,463 that are not used for operations are treated as investments. Merrill Lynch Bank Deposit account is FDIC insured. Charles Schwab Money Fund (Non-Sweep) is invested in Schwab Government Money, which is not FDIC insured, subject to investment risk and may lose value.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions as of September 30, 2024 are as follows:

	October 1, 2023	Additions	Released	Sept. 30, 2024
Subject to expenditure for specified purpose:				
Clinical Trials Access Pilot Program	$ 55,000	$	$ (55,000)	$ -
Subject to the passage of time:				
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	125,000	100,000	(75,000)	150,000
Total	$ 180,000	$ 100,000	$ (130,000)	$ 150,000

Note 8. Contributed Nonfinancial Assets

Clearity received contributed auction items for a fundraising event held during the year ended September 30, 2024. The items were valued at the sale price received during the auction on the day of the event. Proceeds from the sale of contributed items in the amount of $11,935 are included in special event revenue on the statement of activities. Contributed items did not have donor-imposed restrictions.

Note 9. Retirement Plan

Clearity maintains a 403(b)-retirement plan for the benefit of its employees. The plan is funded by employee contributions to the plan, pursuant to a salary reduction agreement, and Clearity's contribution, which is determined on an annual basis. Clearity made no contributions to the 403(b) plan during the year ended September 30, 2024.

Note 10. Sale of Assets and Subsequent Termination of Operations

On September 24, 2024, Clearity entered into Asset Purchase Agreement with the Ovarian Cancer Research Alliance (OCRA). In accordance with the agreement, Clearity wishes to sell and OCRA wishes to purchase Clearity's assets and assume certain liabilities. OCRA agrees to continue Clearity's charitable programs, which overlap with OCRA's charitable programs, and therefore, will be conducted more efficiently. OCRA agreed to retain certain Clearity personnel by offering at-will employment or consulting agreements effective on Clearity's closing date, January 1, 2025.

On October 11, 2024, Clearity notified its employees that their employment will terminate on December 31, 2024. In addition to earned salary, accrued vacation, and outplacement services for employees not continuing with OCRA, employees receive severance payments. Clearity has budgeted $12,000 for outplacement services. Severance payments depend on an employee's tenure, position, and retention by OCRA. Total severance payments, including employer taxes, are $323,938. To be eligible for severance, an employee must be in good standing through the last day, therefore, a liability for termination benefits has not been recorded as of September 30, 2024.

Note 11. Subsequent Events

Clearity's management has evaluated subsequent events through December 12, 2024, the date the financial statements were available to be issued. Except as disclosed in Note 10, management is not aware of any subsequent events that would require adjustments to, or disclosure in, the financial statements.