



INTEGRATE HEALTH, INC.

Financial Statements

**For the Years Ended
June 30, 2023 and 2022**
With Independent Auditors' Report Thereon

Integrate Health Inc.

(A Massachusetts Not-for-Profit Corporation)

June 30, 2023

Background

Integrate Health Inc. is a Massachusetts tax-exempt, non-profit corporation founded in 2004. The mission of Integrate Health Inc. is to end preventable deaths and improve access to quality primary healthcare delivery in low resource communities by providing technical and financial support to non-governmental organizations and associations, as well as governments dedicated to improving the health of their communities. Integrate Health is funded through individual donations and grants and expends funds domestically and internationally. Integrate Health's main US office is located in New York, New York.

Board of Directors

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CEO

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COO

Integrate Health Inc.

(A Massachusetts Not-for-Profit Corporation)
June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Integrate Health Inc.

Opinion

We have audited the accompanying financial statements of Integrate Health Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 Integrate Health Inc. as of June 30, 2023, and the changes in 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 (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 Integrate Health Inc. 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 Integrate Health Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT

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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 Integrate Health Inc.'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 Integrate Health Inc.'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

Report on Summarized Comparative Information

We have previously audited Integrate Health Inc.'s financial statements as of and for the year ended June 30, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Danville, California
February 1, 2024

Regalia & Associates

Opinion Page

Integrate Health Inc.

**Statements of Financial Position
June 30, 2023 and 2022**

ASSETS

	2023	2022
Current assets:		
Cash and cash equivalents	\$ 5,564,483	\$ 6,582,883
Accounts receivable	-	900
Grants and pledges receivable, current portion	6,358,567	2,891,288
Deposits and other assets	425,093	126,693
Total current assets	12,348,143	9,601,764
Noncurrent assets:		
Right of use asset - premises	59,964	22,154
Property and equipment, net	1,017,653	643,623
Grants and pledges receivable, net of discount	-	1,252,427
Other long term assets	31,323	-
Total noncurrent assets	1,108,940	1,918,204
	\$ 13,457,083	\$ 11,519,968

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued liabilities	\$ 250,157	\$ 206,919
Accrued payroll liabilities	87,630	50,520
Operating lease payable - current portion	29,086	14,412
Total current liabilities	366,873	271,851
Noncurrent liabilities:		
Operating lease payable - noncurrent portion	30,878	3,789
Total liabilities	397,751	275,640
Net assets:		
Without donor restrictions:		
Operating	2,494,945	404,168
Board-designated for Reserve Fund	1,521,489	2,996,907
Cumulative translation adjustment	901,834	902,850
Total net assets without donor restrictions	4,918,268	4,303,925
With donor restrictions	8,141,064	6,940,403
Total net assets	13,059,332	11,244,328
	\$ 13,457,083	\$ 11,519,968

Integrate Health Inc.

**Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023**

(with Summarized Financial information for the Year Ended June 30, 2022)

	Net Assets		2023 Total	2022 Total
	Without Donor Restrictions	With Donor Restrictions		
<i>Changes in net assets:</i>				
Contributed support:				
Foundations and trusts	\$ 1,437,982	\$ -	\$ 1,437,982	\$ 1,045,750
Individuals	294,106	-	294,106	183,294
Campaigns	1,356	-	1,356	181,002
Conditional grant adjustment	-	-	-	13,888
Grants	-	8,153,389	8,153,389	5,450,197
Contributions of nonfinancial assets	1,942	-	1,942	32,387
Change in discount for long-term receivables	-	37,573	37,573	13,399
Translation adjustment	(742,400)	-	(742,400)	(1,297,199)
Net assets released from restrictions	6,990,301	(6,990,301)	-	-
Total contributed support	7,983,287	1,200,661	9,183,948	5,622,718
Earned Revenue				
Contract revenue	6,891	-	6,891	7,072
Interest and other income	88,002	-	88,002	6,938
Total earned revenue	94,893	-	94,893	14,010
Total revenue and support	8,078,180	1,200,661	9,278,841	5,636,728
Expenses:				
Programs	6,796,977	-	6,796,977	5,132,759
General and administrative	949,022	-	949,022	514,091
Fundraising	619,672	-	619,672	439,218
Total expenses	8,365,671	-	8,365,671	6,086,068
Increase (decrease) in net assets	(287,491)	1,200,661	913,170	(449,340)
Net assets at beginning of year	4,303,925	6,940,403	11,244,328	10,790,817
Cumulative translation adjustment	901,834	-	901,834	902,850
Net assets at end of year	\$ 4,918,268	\$ 8,141,064	\$ 13,059,332	\$ 11,244,327

Integrate Health Inc.

**Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022**

	2023	2022
<i>Operating activities:</i>		
Increase (decrease) in net assets	\$ 913,170	\$ (449,339)
Adjustments to reconcile to cash provided by (used for) operating activities:		
Depreciation	113,375	83,010
Change in discount for long-term receivables	(37,573)	(13,399)
Loss on foreign currency translation	742,400	1,297,199
Loss (gain) on disposition of property and equipment	902	(1,043)
Cumulative translation adjustment	901,834	902,850
Changes in:		
Accounts receivable	900	(650)
Grants and pledges receivable	(2,177,279)	2,375,025
Deposits and other assets	(1,072,123)	(1,262,587)
Right of use asset - premises	(37,810)	26,012
Accounts payable and accrued liabilities	43,238	80,448
Accrued payroll liabilities	37,110	(6,331)
Refundable advances	-	(13,888)
Cash provided by (used for) operating activities	(571,856)	3,017,307
<i>Investing activities:</i>		
Acquisition of property and equipment, net	(488,307)	(305,706)
Cash used for investing activities	(488,307)	(305,706)
<i>Financing activities:</i>		
Adjustment to lease payable related to right of use asset - premises	41,763	(21,849)
Cash provided by (used for) financing activities	41,763	(21,849)
Increase (decrease) in cash and cash equivalents	(1,018,400)	2,689,752
Cash and cash equivalents at beginning of year	6,582,883	3,893,131
Cash and cash equivalents at end of year	\$ 5,564,483	\$ 6,582,883
<i>Additional cash flow information:</i>		
Taxes and state registration fees paid	\$ 1,743	\$ 1,914
Interest paid	\$ -	\$ -

Integrate Health Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023

(with Summarized Financial information for the Year Ended June 30, 2022)

	HIV Program	Primary Health Care Delivery Services		Total Program	General and Admin- istrative	Fund- raising	2023 Total	2022 Total
		Guinea	Togo					
Business development	\$ 333	\$ 7,947	\$ 46,894	\$ 55,174	\$ 454	\$ 1,221	\$ 56,849	\$ 37,734
Clinic infrastructures	-	-	831,516	831,516	-	-	831,516	597,101
Consumables and supplies	56,720	44,309	939,919	1,040,948	22	-	1,040,970	752,973
Contracts for services	-	-	366,119	366,119	-	-	366,119	275,523
Facility and equipment	-	32,769	64,842	97,611	11,024	-	108,635	59,639
In kind expenses	-	-	-	-	-	-	-	32,387
Office and related expenses	647	27,997	140,804	169,448	7,445	9,116	186,009	139,849
Other expenses	-	8,432	122,475	130,907	27,699	3,210	161,816	138,763
Personnel expenses	1,324	139,862	1,795,116	1,936,302	385,977	481,716	2,803,995	2,385,243
Professional services and other fees	6,472	70,268	567,072	643,812	471,503	96,459	1,211,774	774,025
Support for other organizations	320,813	43,199	482,305	846,317	679	-	846,996	432,702
Travel and meeting expenses	12,237	50,308	433,516	496,061	34,625	27,950	558,636	346,196
Vehicle maintenance	546	52,488	129,728	182,762	9,594	-	192,356	113,933
Totals	\$ 399,092	\$ 477,579	\$ 5,920,306	\$ 6,796,977	\$ 949,022	\$ 619,672	\$ 8,365,671	\$ 6,086,068

Notes to Financial Statements
June 30, 2023 and 2022

1. Organization

Integrate Health is a Massachusetts tax-exempt, non-profit corporation founded in 2004, with headquarters in New York. The mission of Integrate Health is to end preventable deaths and improve access to quality primary healthcare delivery in low resource communities by providing technical and financial support to non-governmental organizations and associations, as well as to governments dedicated to improving the health of their communities. Integrate Health is funded through individual donations and grants and expends funds domestically and internationally.

The organization's programs include (a) Primary healthcare delivery where Integrate Health implements an integrated healthcare approach in 25 public health centers serving a total population of 208,478 and (b) an HIV program where Integrate Health supports the Association Espoir pour Demain (AED-Lidaw) to deliver comprehensive care to roughly 2,000 individuals living with HIV through clinics and hospitals.

2. Summary of Significant Accounting Policies

Basis of Accounting – The financial statements of Integrate Health have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of Operations – The statement of activities reflects all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Integrate Health's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in FDIC-insured bank accounts and highly liquid investments with maturity dates of less than three months. Cash equivalents include short-term interest-bearing investments in money market and liquid asset accounts. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Concentrations of Credit Risk – Financial instruments that potentially subject Integrate Health to concentrations of credit risk consist principally of cash and cash equivalents and deposits. Integrate Health maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Integrate Health manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, Integrate Health has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of Integrate Health's mission.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Accounts, Grants and Pledges Receivable – Integrate Health records receivables that are expected to be collected within one year at net realizable value. When material, receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts (when applicable) will be included in contribution revenue on the statement of activities and changes in net assets.

Integrate Health determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value. Receivables are written off when deemed uncollectible.

Contributions of Nonfinancial Assets - Contributed services and costs are reflected at the fair value of the contribution received in accordance with *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The contributions of services and costs are recognized if they (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. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statement of activities and statements of functional expenses.

Property and Equipment – Integrate Health’s policy is to record acquisitions of property and equipment at cost or, if donated, at fair market value on the date of donation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities.

Costs of maintenance and repairs are expensed currently. Integrate Health reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Integrate Health has determined that no long-lived assets were impaired during the years ended June 30, 2023 and 2022.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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 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.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Integrate Health groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1

Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2

Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3

Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

Functional Allocation of Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which requires Integrate Health to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (salaries, wages, and payroll taxes, professional services) have been allocated based on time and effort using Integrate Health's payroll allocations. Other common expenses which benefit all areas have been allocated in accordance with specific services received from vendors and/or other equitable and measurable methods.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

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

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, though it has not opted to do so as of June 30, 2023 and 2022.

Net Assets With Donor Restrictions:

Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) 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 can be perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income Taxes – Financial statement presentation follows the recommendations of *ASC 740, Income Taxes*. Under ASC 740, Integrate Health is required to report information regarding its exposure to various tax positions taken by the organization and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

Management believes that the organization has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Management believes that Integrate Health has adequately evaluated its current tax positions and has concluded that as of June 30, 2023, Integrate Health does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

Integrate Health has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. This exemption is subject to periodic review by the federal and state taxing authorities and management is confident that the organization continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Integrate Health may periodically receive unrelated business income (such as sublease income) requiring the organization to file separate tax returns under federal and state statutes. Under such conditions, Integrate Health will calculate, accrue and remit the applicable tax liability.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

Revenue and Revenue Recognition - Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 958)* and *ASU No. 2014-09, Revenue from contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income (such as special events), and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions 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 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.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Contributions Made - The Organization recognizes grants as expenses at the time recipients are entitled to receive them. Generally, this occurs when the board of directors approves a specific grant, or when management, pursuant to grant-authorization policies established by the board of directors, approves a grant. Unconditional grants approved but not yet disbursed are reported as grants payable in the statement of financial position. Conditional grants approved but contingent upon fulfillment of certain specified conditions by the grantee are not recorded until the conditions have been met. Revocable grants are recorded when grants are distributed to the grantee.

Recent and Relevant Accounting Pronouncements – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Integrate Health has followed the recommendation of the update to ensure presentation conformity of its financial statements.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of February 1, 2024 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that Integrate Health has the ability to continue as a going concern.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, Integrate Health has incorporated these clarifying standards within the audited financial statements.

In November 2016, the FASB issued *ASU 2016-18, Restricted Cash*. This guidance requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. When cash, cash equivalents, restricted cash and restricted cash equivalents are presented in more than one line item on the statements of financial position, the new guidance requires a reconciliation of the totals in the statement of cash flows to the related captions in the statements of financial position.

On September 17, 2020, the FASB issued *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Update increases transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that an organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires that an organization disclose:

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (*continued*)

1. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
2. For each category of contributed nonfinancial assets recognized:
 - Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used
 - The organization’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets
 - A description of any donor-imposed restrictions associated with the contributed nonfinancial assets
 - A description of the valuation techniques and inputs used to arrive at a fair value measure in accordance with the requirements in *Topic 820, Fair Value Measurement*, at initial recognition.
 - The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

3. Cash and Cash Equivalents

Cash and cash equivalents include all funds in banks (checking and savings) at the time of purchase that have a maturity date of 90 days or less. The components of cash and cash equivalents are as follows at June 30:

	2023	2022
Checking account-domestic operations (noninterest-bearing)	\$ 624,628	\$ 309,840
Checking account-domestic operations (interest-bearing)	351,419	582,064
Checking account-foreign operations (noninterest-bearing)	639,610	771,110
Business market savings (interest-bearing)	3,948,080	4,919,035
Petty cash and other (noninterest-bearing)	746	834
Total cash and cash equivalents	\$ 5,564,483	\$ 6,582,883

Funds on deposit in certain accounts bear interest at rates ranging from 0.20% to 1.99% per annum at June 30, 2023. During the years ended June 30, 2023 and 2022, interest income earned from cash deposits amounted to \$88,002 and \$5,896, respectively. Domestic deposits may exceed federally insured limits. Integrate Health attempts to minimize its credit risk associated with cash equivalents in the United States by utilizing highly rated financial institutions.

4. Clinic Renovations

Integrate Health continues to renovate clinics in various districts in Togo. As of June 30, 2023, unpaid construction costs for its Keran district clinics totaled \$91,416 and this amount is included with accounts payable and accrued liabilities on the statements of financial position. There are no other outstanding clinic renovation projects at January 26, 2024.

Notes to Financial Statements
June 30, 2023 and 2022

5. Grants and Pledges Receivable

Grants and pledges receivable are expected to be collected as follows at June 30:

	2023	2022
Less than one year	\$ 6,358,567	\$ 2,891,288
One to five years	-	1,290,000
Subtotal	6,358,567	4,181,288
Less: Unamortized discount	-	(37,573)
Subtotal	6,357,567	4,143,715
Total amounts due within one year	(6,357,567)	(2,891,288)
Total grants and pledges receivable long-term (net)	\$ -	\$ 1,252,427

Integrate Health uses the direct write-off method with regards to grants and pledges receivable which are deemed to be uncollectible. There were no bad debt write-offs involving grants and pledges receivable for the years ended June 30, 2023 and 2022. Management has evaluated the grants and pledges receivable as of June 30, 2023 and determined that such amounts are fully collectible based on the financial strength of the donors involved, historical collection analysis, and other factors.

6. Fair Value Measurements

Composition of assets utilizing fair value measurements at June 30, 2023 is as follows:

	Totals	Level 1	Level 2	Level 3
Grants and pledges receivable	\$ 6,357,567	\$ -	\$ 6,357,567	\$ -
Accounts receivable	-	-	-	-
Totals	\$ 6,357,567	\$ -	\$ 6,357,567	\$ -

Composition of assets utilizing fair value measurements at June 30, 2022 is as follows:

	Totals	Level 1	Level 2	Level 3
Grants and pledges receivable	\$ 4,143,715	\$ -	\$ 2,891,288	\$ 1,252,427
Accounts receivable	900	-	900	-
Totals	\$ 4,144,615	\$ -	\$ 2,892,188	\$ 1,252,427

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models. Integrate Health had no assets classified as Level 1 or Level 3 at June 30, 2023.

Notes to Financial Statements
June 30, 2023 and 2022

7. Deposits and Other Assets

Deposits and other assets consist primarily of various security deposits with facilities and suppliers and are comprised of the following at June 30:

	2023	2022
Contract deposit	\$ 159,149	\$ 47,256
Facility security deposits	13,445	13,057
Travel and fundraising events	188,082	49,868
Inventory	64,417	16,512
Total prepaid expenses and other current assets	\$ 425,093	\$ 126,693

8. Property and Equipment

Property and equipment consist of the following at June 30:

	2023	2022
Computers	\$ 125,088	\$ 64,801
Equipment	110,308	30,806
Land and leasehold improvements	53,381	49,798
Construction in progress	416,212	244,524
Vehicles	598,369	432,103
Less: accumulated depreciation	(285,705)	(179,409)
Property and equipment, net	\$ 1,017,653	\$ 643,623

Depreciation expense amounted to \$113,375 and \$83,010 for the years ended June 30, 2023 and 2022, respectively. During the year ended June 30, 2023, Integrate Health sold partially depreciated assets with original cost basis of \$7,981 and accumulated depreciation of \$7,079, resulting in a loss from disposal of \$902. During the year ended June 30, 2022, Integrate Health sold partially depreciated assets with original cost basis of \$16,714 and accumulated depreciation of \$15,671, resulting in a gain from disposal of \$1,043.

9. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under ASC 710.25, Integrate Health is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability based on hourly rates in effect at the end of the fiscal year. Total accrued payroll liabilities amounted to \$87,630 and \$50,520 at June 30, 2023 and 2022, respectively.

Notes to Financial Statements
June 30, 2023 and 2022

10. Liquidity

Integrate Health regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. Integrate Health has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and other sources (including the future collection of grants and pledges receivable).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Integrate Health considers all expenditures related to its ongoing activities of ending preventable deaths to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, Integrate Health operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The following table shows the total financial assets held by Integrate Health and the amounts of those financial assets readily available within one year to meet general expenditures:

	2023	2022
Cash and cash equivalents	\$ 5,564,483	\$ 6,582,883
Accounts receivable	-	900
Grants and pledges receivable, current	6,358,567	2,891,288
Total financial assets	11,923,050	9,475,071
Less: amounts not available to be used within one year:		
Net assets with board designations for reserve funds	(1,521,489)	(2,996,907)
Net assets with donor restrictions for programs	(3,428,459)	(1,226,618)
Financial assets available to meet general expenditures over the next twelve months	\$ 6,973,102	\$ 5,251,546

As part of Integrate Health’s liquidity management is a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Integrate Health’s goal is generally to maintain financial assets to meet 90 days of operating expenses.

11. Retirement Plan

Integrate Health offers employees the opportunity for participation in a salary reduction retirement plan qualified under Internal Revenue Code Section 401(k). This plan covers employees who have satisfied plan requirements for eligibility. Employees are permitted to make contribution on a pre-tax basis of up to \$22,500 in 2023, with an additional \$7,500 for those individuals aged 50 and older. Integrate Health made employer-matching contributions of \$68,433 and \$71,025 during the years ended June 30, 2023 and 2022, respectively.

Notes to Financial Statements
June 30, 2023 and 2022

12. Contributions of Nonfinancial Assets

Integrate Health recognizes donated materials which create and enhance non-financial assets or that require specialized skills. During the years ended June 30, 2023 and 2022, Integrate Health was the recipient of certain in-kind contributions which satisfied the provisions of *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The in-kind contributions consisted primarily of medical supplies and equipment used for programmatic activities. None of the contributed services had donor-imposed restrictions. These materials were recorded at their estimated fair market values as unrestricted support on the statement of activities and changes in net assets and amounted to \$1,942 and \$32,387 for the years ended June 30, 2023 and 2022, respectively. None of the nonfinancial contributions had donor-imposed restrictions and all were used in operations for programmatic activities.

A substantial number of unpaid volunteers have made significant contributions of time to various departments or programs of Integrate Health. The value of this contributed time is not reflected in the financial statements because it is not susceptible to objective measurement or valuation and therefore did not meet the criteria for recognition under *ASC 958.605.30-11*.

13. Right of Use Asset and Leases

In accordance with *ASU 2016-02, Leases*, Integrate Health is required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "Right of Use" asset and a corresponding lease liability.

As of June 30, 2023, Integrate Health reflected a total lease liability in the amount of \$59,964 for its facilities (split between current amount of \$29,086 and noncurrent amount of \$30,878) and a corresponding right of use asset for the premises in the amount of \$59,964. As of June 30, 2022, Integrate Health reflected a total lease liability in the amount of \$18,201 (split between current amount of \$14,412 and noncurrent amount of \$3,789) and a corresponding right of use asset for the premises in the amount of \$22,154. The weighted average discount rate associated with the calculation of the present value of the future lease payments was 4.00%, which is the discount rate implicit in the lease. Integrate Health has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. Integrate Health applied the risk-free rate option to the building class of assets. The amortization of the right of use asset amounted to \$13,192 and \$10,142 for the years ended June 30, 2023 and 2022, respectively, and is included with office and related expenses on the statement of functional expenses.

As of June 30, 2023, Integrate Health leases its corporate office space in New York under a one-year operating lease expiring June 30, 2024. The agreement specifies a monthly rental payment of \$580 as of June 30, 2023. Integrate Health also leases space at various locations in Togo and Guinea under multi-year operating leases expiring at certain dates through May 1, 2026. As of June 30, 2023, future minimum lease payments representing the amortized principal balance of the lease liability are as follows: *Year ending June 30, 2024: \$29,086; Year ending June 30, 2025: \$19,251; and Year ending June 30, 2026: \$11,627*. Rent expense for all leases amounted to \$65,804 and \$50,959 for the years ended June 30, 2023 and 2022, respectively, and is included with office and related expenses on the statement of functional expenses.

Notes to Financial Statements
June 30, 2023 and 2022

14. Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions of \$4,918,268 and \$4,303,925 at June 30, 2023 and 2022, respectively, represent the cumulative operating surpluses of Integrate Health since its inception. Board designated funds amounted to \$1,521,489 and \$2,996,907 at June 30, 2023 and 2022, respectively, and have been carved out of net assets without donor restrictions in order to establish a reserve fund to recognize estimated financial needs related to future operating activities. Integrate Health also incurred cumulative translation adjustments which are segregated within net assets without donor restrictions and are summarized as follows for the years ended June 30:

	2023	2022
Beginning balance	\$ 902,850	\$ (180,120)
Current year adjustment	(1,016)	1,082,970
Ending balance	\$ 901,834	\$ 902,850

Net Assets With Donor Restrictions

Integrate Health recognizes support from net assets with donor restrictions when restrictions imposed by the donors have been satisfied or expired. Net assets with donor restrictions consist of the following at June 30:

	2023	2022
Cartier Philanthropies	\$ 775,000	\$ 1,275,000
Child Relief International	500,000	750,000
Crown Family Foundation	175,000	525,000
DAK Foundation	300,000	-
Jasmine Family Foundation	500,000	250,000
Mulago Foundation	500,000	-
Noorda Foundation	500,000	1,000,000
Peery Foundation	-	100,000
Planet Wheeler	-	37,500
Rippleworks Foundation	678,380	1,500,000
UBS Optimum Foundation	692,507	270,006
Vitol Foundation	1,675,079	425,048
Wagner Foundation	300,000	-
Yajilarra Trust	500,000	-
Other program restrictions (principally for Togo)	814,798	272,713
Other time restrictions	230,300	572,709
Discount related to long-term receivables	-	(37,573)
Total net assets with donor restrictions	\$ 8,141,064	\$ 6,940,403

During the years ended June 30, 2023 and 2022, Integrate Health received donor restricted contributions amounting to \$8,153,389 and \$5,450,197, respectively. Net assets released from restrictions amounted to \$6,990,301 and \$4,997,760 for the years ended June 30, 2023 and 2022, respectively. The change in the discount related to long-term receivables amounted to \$37,573 and \$13,399 for the years ended June 30, 2023 and 2022, respectively.

**Notes to Financial Statements
June 30, 2023 and 2022**

15. Contracts

Integrate Health is engaged with various organizations to purchase medicine and to fund construction of infectious disease centers. These commitments are expected to be fulfilled within the next year. The total remaining commitments from these contracts are estimated to be \$730,839 at June 30, 2023 but are not reflected on the statement of financial position.

16. COVID-19

During the past several years, COVID-19 and its variants (a) influenced financial markets, (b) threatened revenue streams, and (c) impacted private enterprises with which Integrate Health conducted operations. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges.

17. Commitments and Contingencies

In the normal course of business Integrate Health could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) grant restrictions and donor conditions which obligate Integrate Health to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond Integrate Health's control, such as generosity of donors and general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements.

18. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, Integrate Health has evaluated subsequent events through February 1, 2024, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which necessitate disclosure.