



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

## **Interact for Health and Subsidiary**

Consolidated Financial Statements and  
Supplementary Information  
December 31, 2023 and 2022  
(with Independent Auditors' Report)

## TABLE OF CONTENTS

Independent Auditors' Report ..... 1-2

### Financial Statements:

Consolidated Statements of Financial Position ..... 3-4

Consolidated Statements of Activities ..... 5

Consolidated Statements of Functional Expenses ..... 6-7

Consolidated Statements of Cash Flows ..... 8

Notes to the Consolidated Financial Statements ..... 9-17

### Supplementary Information:

Consolidating Statements of Financial Position ..... 18-19

Consolidating Statements of Activities ..... 20-21

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Interact for Health and Subsidiary:

### **Opinion**

We have audited the accompanying consolidated financial statements of Interact for Health and Subsidiary (a not-for-profit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Interact for Health and Subsidiary as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Interact for Health and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Interact for Health and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 Interact for Health and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Interact for Health and Subsidiary'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 audits.

#### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 18 - 21 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
March 13, 2024

Interact for Health and Subsidiary  
Consolidated Statements of Financial Position  
December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 2,057,732	581,197
Investments	251,076,534	244,466,489
Redemption receivable	-	57,413
Interest and dividends receivable	103,535	74,469
Prepaid expenses	<u>53,445</u>	<u>80,416</u>
Total current assets	<u>253,291,246</u>	<u>245,259,984</u>
Fixed assets:		
Furniture	229,488	230,804
Computer hardware and software	248,308	248,308
Equipment	320,378	314,170
Leasehold improvements	<u>461,600</u>	<u>461,600</u>
	1,259,774	1,254,882
Less accumulated depreciation	<u>(671,346)</u>	<u>(563,435)</u>
Total fixed assets	<u>588,428</u>	<u>691,447</u>
Other assets:		
Security deposit	17,285	17,285
Operating lease right-of-use asset	1,226,210	1,387,996
Deferred compensation assets	<u>204,658</u>	<u>170,030</u>
Total other assets	<u>1,448,153</u>	<u>1,575,311</u>
	<u>\$ 255,327,827</u>	<u>247,526,742</u>

See accompanying notes to the consolidated financial statements.

Interact for Health and Subsidiary  
Consolidated Statements of Financial Position (continued)  
December 31, 2023 and 2022

Liabilities and Net Assets

	2023	2022
<b>Current liabilities:</b>		
Accounts payable	\$ 77,507	93,733
Accrued liabilities	116,449	113,724
Grants payable, current portion	2,289,711	1,052,583
Operating lease liability, current portion	157,435	170,241
Total current liabilities	2,641,102	1,430,281
<b>Long-term liabilities:</b>		
Grants payable, net of current portion	123,454	187,760
Operating lease liability, net of current portion	1,175,483	1,317,489
Deferred compensation payable	204,658	170,030
Total long-term liabilities	1,503,595	1,675,279
Total liabilities	4,144,697	3,105,560
<b>Net assets:</b>		
Without donor restrictions	250,085,396	244,004,044
With donor restrictions	1,097,734	417,138
Total net assets	251,183,130	244,421,182
	\$ 255,327,827	247,526,742

See accompanying notes to the consolidated financial statements.

Interact for Health and Subsidiary  
Consolidated Statements of Activities  
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:						
Net investment return	\$ 19,423,939	53,560	19,477,499	(15,450,465)	(67,750)	(15,518,215)
Other income:						
Grants and contributions received	-	912,500	912,500	-	150,000	150,000
Miscellaneous income	4,101	-	4,101	4,557	-	4,557
Net assets released from restrictions	<u>285,464</u>	<u>(285,464)</u>	<u>-</u>	<u>154,112</u>	<u>(154,112)</u>	<u>-</u>
Total revenues	<u>19,713,504</u>	<u>680,596</u>	<u>20,394,100</u>	<u>(15,291,796)</u>	<u>(71,862)</u>	<u>(15,363,658)</u>
Expenses:						
Grants and direct charitable expenses	9,839,269	-	9,839,269	9,147,612	-	9,147,612
Program operating	<u>2,883,442</u>	<u>-</u>	<u>2,883,442</u>	<u>2,545,978</u>	<u>-</u>	<u>2,545,978</u>
Total program expenses	12,722,711	-	12,722,711	11,693,590	-	11,693,590
Management and general	<u>909,441</u>	<u>-</u>	<u>909,441</u>	<u>905,457</u>	<u>-</u>	<u>905,457</u>
Total expenses	<u>13,632,152</u>	<u>-</u>	<u>13,632,152</u>	<u>12,599,047</u>	<u>-</u>	<u>12,599,047</u>
Change in net assets	6,081,352	680,596	6,761,948	(27,890,843)	(71,862)	(27,962,705)
Net assets at beginning of year	<u>244,004,044</u>	<u>417,138</u>	<u>244,421,182</u>	<u>271,894,887</u>	<u>489,000</u>	<u>272,383,887</u>
Net assets at end of year	<u>\$ 250,085,396</u>	<u>1,097,734</u>	<u>251,183,130</u>	<u>244,004,044</u>	<u>417,138</u>	<u>244,421,182</u>

See accompanying notes to the consolidated financial statements.

Interact for Health and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2023

	<u>Grants and Direct Charitable</u>	<u>Program Operating</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
Grants awarded	\$ 7,901,777	-	7,901,777	-	7,901,777
Payroll and benefits	721,352	1,949,086	2,670,438	680,384	3,350,822
Community support, research and evaluation	1,074,906	197,484	1,272,390	-	1,272,390
Occupancy	62,222	199,111	261,333	49,776	311,109
Professional services	6,943	194,528	201,471	115,864	317,335
Conferences, conventions and meetings	9,829	109,410	119,239	7,546	126,785
Depreciation	21,845	69,905	91,750	17,476	109,226
Information technology	16,793	53,738	70,531	13,434	83,965
Office expenses	15,312	39,518	54,830	11,314	66,144
Travel	5,406	41,454	46,860	2,566	49,426
Other expenses	<u>2,884</u>	<u>29,208</u>	<u>32,092</u>	<u>11,081</u>	<u>43,173</u>
	<u>\$ 9,839,269</u>	<u>2,883,442</u>	<u>12,722,711</u>	<u>909,441</u>	<u>13,632,152</u>

See accompanying notes to the consolidated financial statements.



Interact for Health and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2022

	Grants and Direct Charitable	Program Operating	Total Program Expenses	Management and General	Total
Grants awarded	\$ 5,915,368	-	5,915,368	-	5,915,368
Payroll and benefits	693,397	1,905,768	2,599,165	680,911	3,280,076
Community support, research and evaluation	2,405,270	-	2,405,270	-	2,405,270
Occupancy	62,355	199,537	261,892	49,884	311,776
Professional services	3,106	92,903	96,009	108,925	204,934
Conferences, conventions and meetings	2,391	118,619	121,010	6,822	127,832
Depreciation	25,366	81,170	106,536	20,292	126,828
Information technology	16,858	53,944	70,802	13,486	84,288
Office expenses	15,568	45,108	60,676	13,449	74,125
Travel	3,154	16,821	19,975	592	20,567
Other expenses	4,779	32,108	36,887	11,096	47,983
	<u>\$ 9,147,612</u>	<u>2,545,978</u>	<u>11,693,590</u>	<u>905,457</u>	<u>12,599,047</u>

See accompanying notes to the consolidated financial statements.

Interact for Health and Subsidiary  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,761,948	(27,962,705)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	109,226	126,828
Amortization of operating lease right-of-use asset	161,786	163,316
Net realized and unrealized (gain) loss on investments	(15,858,767)	18,629,360
Changes in assets and liabilities:		
Interest and dividends receivable	(29,066)	(31,418)
Prepaid expenses	26,971	55,032
Accounts payable	(16,226)	(93,318)
Accrued liabilities	2,725	16,674
Grants payable	1,172,822	147,365
Operating lease liability	(154,812)	(152,190)
Deferred compensation payable	<u>34,628</u>	<u>26,342</u>
Net cash used in operating activities	<u>(7,788,765)</u>	<u>(9,074,714)</u>
Cash flows from investing activities:		
Redemption receivable	57,413	2,542,587
Purchase of fixed assets	(6,207)	(69,660)
Change in deferred compensation assets	(34,628)	(26,342)
Purchase of investments	(12,222,460)	(70,100,744)
Proceeds from sale of investments	<u>21,471,182</u>	<u>76,763,373</u>
Net cash provided by investing activities	<u>9,265,300</u>	<u>9,109,214</u>
Net change in cash and cash equivalents	1,476,535	34,500
Cash and cash equivalents at beginning of year	<u>581,197</u>	<u>546,697</u>
Cash and cash equivalents at end of year	\$ <u><u>2,057,732</u></u>	<u><u>581,197</u></u>

See accompanying notes to the consolidated financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### **Nature of operations**

Interact for Health is an independent foundation with a mission to ensure people in our region have a just opportunity to live their healthiest lives. Interact for Health serves as a catalyst by promoting health equity through grants, education, research, policy, and engagement. Interact for Health and Subsidiary includes Interact for Health and InterAct for Change (collectively, the "Organization"). InterAct for Change is a wholly-controlled subsidiary and the 501(c)(3) public charity arm of Interact for Health with a mission to inspire, lead and support active giving and philanthropic solutions. InterAct for Change works with clients, partners and community collaboratives to achieve measurable results through charitable giving and supports the mission of Interact for Health.

### **Principles of consolidation**

These financial statements are the result of the consolidation of the operations of Interact for Health and InterAct for Change ("InterAct"). All intercompany transactions have been eliminated.

### **Use of estimates in the consolidated financial statements**

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

### **Basis of presentation**

The consolidated financial statements are presented on the accrual basis of accounting in accordance with GAAP. Net assets, revenues, gains and losses are classified based on the absence or existence of donor-imposed restrictions as follows:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and 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 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; those restrictions that are likely to be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with perpetual restrictions at December 31, 2023 and 2022.

### Contributions

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets are reclassified from with donor restrictions to without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization records contributions and investment income with donor restrictions that are met in the same period as net assets with donor restrictions and then reclassifies the revenue to net assets without donor restrictions through net assets released from restrictions in the accompanying consolidated statements of activities.

Unconditional contributions are recorded when the promise to give is received. Death bequests are recorded when the will has been settled through probate court. Grant revenue is recorded when the grant is awarded, unless conditional by nature. Conditional grants are generally received to reimburse eligible expenses. Reimbursement-type grant revenue is recorded in grant revenues with donor restrictions when the related eligible costs are incurred and reclassified to net assets without donor restrictions through net assets released from restrictions. Revenues from sources other than contributions are reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

### Cash and cash equivalents

The Organization considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains cash in deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### Investments

The Organization records investments in common stocks, mutual funds and exchange-traded funds at their fair values. Direct investments in limited partnerships, limited liability companies, and other corporations without readily available market values are stated at their net asset value (NAV) as provided by third-party investment managers. Dividends, interest, net of direct investment expenses, realized and unrealized gains and losses resulting from changes in market values are recognized in the consolidated statements of activities within net investment return. Net investment return is composed of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 3,771,121	3,264,605
Net realized and unrealized gains (losses)	15,858,767	(18,629,360)
Direct investment expenses	<u>(152,389)</u>	<u>(153,460)</u>
	<u>\$ 19,477,499</u>	<u>(15,518,215)</u>

### Redemption receivable

A redemption receivable is recorded on the consolidated statements of financial position when an investment has been redeemed but the cash has not yet been received from the custodian or fund manager.

### Fixed assets

Fixed assets are recorded at cost less accumulated depreciation, unless the asset is donated, in which case it is recorded at fair value on the date of the gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives are as follows:

Furniture	10 years
Leasehold improvements	Life of lease
Computer hardware and software	3 years
Equipment	5 years

### Grants awarded and payable

Unconditional grants awarded, and the related payable, are recognized upon approval by the Organization and grantee acceptance, if applicable, which is accomplished through signing of the award agreement. Generally, the Organization does not award conditional grants. Grants awarded that are due in more than one year are not discounted as the amount of the discount is not material.

### Functional expense allocations

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Direct charitable expenses pertain to charitable activities for the benefit of others initiated and conducted in whole or in part by the Organization. Program operating expenses primarily pertain to the general grant making activities of the Organization such as reviewing proposals and awarding, monitoring, and evaluating grants. Expenses are directly applied when applicable and other expenses are allocated to programs or supporting services. Expenses have been allocated based on employee estimates of time and effort for all natural classes, with the exception of information technology and other expenses attributable to all employees, including occupancy. These expenses have been allocated based upon estimated head counts for each function. The Organization does not receive significant contributions and includes fundraising expenses of approximately \$1,800 in management and general expenses.

### Tax status

Interact for Health is exempt from federal income tax under Internal Revenue Code (the "Code") section 501(c)(4), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. InterAct for Change is a tax-exempt organization under Code Section 501(c)(3), which has been classified as a public charity qualified for charitable contributions under Code Section 170. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to consolidated financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax

position may be challenged. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

**Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through March 13, 2024, the date on which the consolidated financial statements were available to be issued.

**2. LINE OF CREDIT:**

In January 2023, the Organization entered into a revolving line of credit agreement for borrowing up to \$5,000,000. The line of credit bears interest of 1% plus the daily simple secured overnight financing rate (SOFR) which was 6.38% at December 31, 2023. The line of credit expires on January 15, 2025. The Organization had no outstanding balance on the line of credit at December 31, 2023.

**3. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are composed of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Scholarship Funds	\$ 89,620	86,419
Youth Mental Health Collaborative	493,945	-
Data for Equity Collaborative	126,071	25,000
Other purposes	<u>388,098</u>	<u>305,719</u>
	<u>\$ 1,097,734</u>	<u>417,138</u>

Net assets released from restrictions are composed of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Scholarship Funds	\$ 971	956
Youth Mental Health Collaborative	93,555	-
Data for Equity Collaborative	148,929	125,000
Other purposes	<u>42,009</u>	<u>28,156</u>
	<u>\$ 285,464</u>	<u>154,112</u>

**4. FAIR VALUE MEASUREMENTS:**

Fair value is defined as the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements and disclosures are based on a three-level hierarchy as follows:

Level 1 fair values are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 fair values are quoted prices in active markets for similar assets or liabilities in active markets, quoted prices in inactive markets for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 fair values are unobservable, supported by little or no market activity.

Financial instruments measured at fair value on a recurring basis using quoted prices for identical instruments in an active market (level 1) include mutual funds and exchange-traded funds.

The Organization also invests in hedge, private capital, and other limited partnership funds. These funds are measured at NAV as reported in audited financial statements, if available, or as provided by the investment manager at the measurement date. Private equity funds are recorded at NAV as of September 30 or December 31 as reported by the fund manager. For those funds recorded at NAV as of September 30, management adjusts the year end value for purchases and sales made during the fourth quarter, or other significant activity as provided by the fund manager. Investments in these funds can be subject to a variety of redemption and lock-up provisions, which may affect the liquidity or transferability of the investment at the measurement date.

The Organization has committed to providing additional capital related to the limited partnership funds in the amount of \$13,556,183 and \$19,297,402 at December 31, 2023 and 2022, respectively.

The Organization holds a variety of investments, the underlying securities of which are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value of investment securities would occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Annually, the Organization reevaluates its classification of investments within the fair value hierarchy. There have been no changes to the methodology used to determine fair value.

The following table summarizes the assets measured at fair value and NAV on a recurring basis at December 31, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Investments measured at <u>NAV</u>
Investments:					
Mutual funds:					
Domestic	\$ 52,390,177	52,390,177	-	-	-
International	37,567,517	37,567,517	-	-	-
Fixed income	47,110,729	47,110,729	-	-	-
Exchange-traded funds:					
Emerging markets	36,424	36,424	-	-	-
Limited partnership funds:					
Private capital	85,707,321	-	-	-	85,707,321
Diversifying strategies	<u>28,264,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,264,366</u>
Total investments	\$ <u>251,076,534</u>	<u>137,104,847</u>	<u>-</u>	<u>-</u>	<u>113,971,687</u>

The following table summarizes the assets measured at fair value and NAV on a recurring basis at December 31, 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Investments measured at <u>NAV</u>
Investments:					
Mutual funds:					
Domestic	\$ 50,064,015	50,064,015	-	-	-
International	36,707,833	36,707,833	-	-	-
Fixed income	43,513,583	43,513,583	-	-	-
Exchange-traded funds:					
Emerging markets	35,176	35,176	-	-	-
Limited partnership funds:					
Private capital	85,429,257	-	-	-	85,429,257
Diversifying strategies	<u>28,716,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,716,625</u>
Total investments	\$ <u>244,466,489</u>	<u>130,320,607</u>	<u>-</u>	<u>-</u>	<u>114,145,882</u>

Redemption provisions, notice periods and additional disclosures for the investments held at NAV are as follows:

	<u>Net Asset Value</u>		<u>Redemption</u>	<u>Notice</u>
	<u>2023</u>	<u>2022</u>	<u>Frequency</u>	<u>Period</u>
Limited partnership funds:				
Diversifying strategies (a)	\$ 28,264,366	28,716,625	Quarterly	65 days
Private capital (b)	<u>85,707,321</u>	<u>85,429,257</u>	Not applicable	Not applicable
	\$ <u>113,971,687</u>	<u>114,145,882</u>		



- (a) Diversifying strategies include market neutral and opportunistic hedge funds. Market neutral hedge funds are focused on arbitrage, long-short credit and equity, distressed debt, and structured credit investments. Opportunistic hedge funds include multi-strategy and global macro hedge funds, as well as distressed investments. Funds are generally redeemable quarterly with 65 days' notice.
- (b) Private capital includes private equity funds and private real assets. These funds seek long term capital appreciation by investing in a variety of investment strategies. These funds are generally not redeemable until such time as there is a liquidity event, or the fund is terminated by the general partner(s) subject to the terms of each fund's partnership agreement.

**5. GRANTS PAYABLE:**

Grants payable approved for payment are scheduled to be disbursed as follows at December 31:

2024	\$ 2,289,711
2025	<u>123,454</u>
	<u>\$ 2,413,165</u>

**6. DEFERRED COMPENSATION:**

The Organization maintains a non-qualified funded deferred compensation plan under Internal Revenue Code Section 457 for the benefit of one former and four current associates that are eligible. The plan is voluntary, and participants may contribute to the plan, subject to certain limitations. No contributions were made by the Organization in connection with the plan. Deferred compensation assets and payable related to the plan were \$204,658 and \$170,030 as of December 31, 2023 and 2022, respectively.

**7. LEASE OBLIGATION:**

During 2021, the Organization entered into a lease for a new office which commenced on July 1, 2021 and will terminate in December 2031. The lease includes rent escalation provisions based on an annual inflation adjustment of 2.50% from a monthly base rent of \$13,841. Since the Organization's lease does not provide an implicit interest rate to determine the present value of lease payments, management used the risk-free rate available at lease commencement which was 1.48%. The Organization recognized an operating lease right-of-use asset and related lease liability of \$1,715,031 at the lease inception. The lease provides the option to renew for two five-year periods at then market rates. Due to the changing needs of the community the Organization serves, it is unknown at this time if the renewal options will be exercised. The Organization has elected to implement the practical expedient of not separating lease components from nonlease components.

The Organization recognized \$177,215 of straight-line rent expense under this lease during 2023 and 2022.

The following is a schedule of future minimum lease payments for the years ended December 31:

2024	\$ 174,497
2025	178,860
2026	183,331
2027	187,915
2028	192,612
Thereafter	<u>607,214</u>
	1,524,429
Less imputed interest	<u>(191,511)</u>
	<u>\$ 1,332,918</u>

**8. RETIREMENT PLAN:**

The Organization maintains a retirement savings plan which allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. The plan provides for a matching contribution and a discretionary contribution by the Organization. Participants vest immediately in their own, matching and discretionary contributions. The Organization's contributions to the plan were \$288,825 and \$280,948 for the years ended December 31, 2023 and 2022, respectively.

**9. LIQUIDITY DISCLOSURES:**

The Organization is substantially supported by investment income and contributions from donors which, at times, contain donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization'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. In addition, the Organization invests cash in excess of daily requirements in investments as deemed appropriate.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 2,057,732	581,197
Redemption, interest and dividends receivable	103,535	131,882
Investments at fair value	<u>251,076,534</u>	<u>244,466,489</u>
Financial assets available at year-end	<u>253,237,801</u>	<u>245,179,568</u>
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with purpose restriction	1,097,734	417,138
Private capital investments	<u>85,707,321</u>	<u>85,429,257</u>
Total limitations on available resources	<u>86,805,055</u>	<u>85,846,395</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>166,432,746</u>	<u>159,333,173</u>

Interact for Health and Subsidiary  
Consolidating Statement of Financial Position  
December 31, 2023

	Interact for Health	InterAct for Change	Eliminating Entries	Total
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,132,043	925,689	-	2,057,732
Investments	250,780,324	296,210	-	251,076,534
Redemption receivable	-	-	-	-
Interest and dividends receivable	100,069	3,466	-	103,535
Prepaid expenses	53,445	-	-	53,445
	<u>252,065,881</u>	<u>1,225,365</u>	<u>-</u>	<u>253,291,246</u>
<b>Fixed assets:</b>				
Furniture	229,488	-	-	229,488
Computer hardware and software	248,308	-	-	248,308
Equipment	320,378	-	-	320,378
Leasehold improvements	461,600	-	-	461,600
	<u>1,259,774</u>	<u>-</u>	<u>-</u>	<u>1,259,774</u>
Less accumulated depreciation	(671,346)	-	-	(671,346)
	<u>588,428</u>	<u>-</u>	<u>-</u>	<u>588,428</u>
<b>Other assets:</b>				
Security deposit	17,285	-	-	17,285
Operating lease right-of-use asset	1,226,210	-	-	1,226,210
Deferred compensation assets	204,658	-	-	204,658
	<u>1,448,153</u>	<u>-</u>	<u>-</u>	<u>1,448,153</u>
<b>Total assets</b>	<u>\$ 254,102,462</u>	<u>1,225,365</u>	<u>-</u>	<u>255,327,827</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 77,507	-	-	77,507
Accrued liabilities	116,449	-	-	116,449
Grants payable, current portion	2,289,711	-	-	2,289,711
Operating lease liability, current portion	157,435	-	-	157,435
	<u>2,641,102</u>	<u>-</u>	<u>-</u>	<u>2,641,102</u>
<b>Long-term liabilities:</b>				
Grants payable, net of current portion	123,454	-	-	123,454
Operating lease liability, net of current portion	1,175,483	-	-	1,175,483
Deferred compensation payable	204,658	-	-	204,658
	<u>1,503,595</u>	<u>-</u>	<u>-</u>	<u>1,503,595</u>
<b>Total liabilities</b>	<u>4,144,697</u>	<u>-</u>	<u>-</u>	<u>4,144,697</u>
<b>Net assets</b>				
Without donor restrictions	249,957,765	127,631	-	250,085,396
With donor restrictions	-	1,097,734	-	1,097,734
	<u>249,957,765</u>	<u>1,225,365</u>	<u>-</u>	<u>251,183,130</u>
<b>Total liabilities and net assets</b>	<u>\$ 254,102,462</u>	<u>1,225,365</u>	<u>-</u>	<u>255,327,827</u>

See accompanying independent auditors' report.

Interact for Health and Subsidiary  
Consolidating Statement of Financial Position  
December 31, 2022

	Interact for Health	InterAct for Change	Eliminating Entries	Total
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 350,463	230,734	-	581,197
Investments	244,172,291	294,198	-	244,466,489
Redemption receivable	57,413	-	-	57,413
Interest and dividends receivable	74,469	-	-	74,469
Prepaid expenses	80,416	-	-	80,416
	<u>244,735,052</u>	<u>524,932</u>	<u>-</u>	<u>245,259,984</u>
<b>Fixed assets:</b>				
Furniture	230,804	-	-	230,804
Computer hardware and software	248,308	-	-	248,308
Equipment	314,170	-	-	314,170
Leasehold improvements	461,600	-	-	461,600
	<u>1,254,882</u>	<u>-</u>	<u>-</u>	<u>1,254,882</u>
Less accumulated depreciation	(563,435)	-	-	(563,435)
	<u>691,447</u>	<u>-</u>	<u>-</u>	<u>691,447</u>
<b>Other assets:</b>				
Security deposit	17,285	-	-	17,285
Operating lease right-of-use asset	1,387,996	-	-	1,387,996
Deferred compensation assets	170,030	-	-	170,030
	<u>1,575,311</u>	<u>-</u>	<u>-</u>	<u>1,575,311</u>
<b>Total assets</b>	<u>\$ 247,001,810</u>	<u>524,932</u>	<u>-</u>	<u>247,526,742</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 93,733	-	-	93,733
Accrued liabilities	113,724	-	-	113,724
Grants payable, current portion	1,052,583	-	-	1,052,583
Operating lease liability, current portion	170,241	-	-	170,241
	<u>1,430,281</u>	<u>-</u>	<u>-</u>	<u>1,430,281</u>
<b>Long-term liabilities:</b>				
Grants payable, net of current portion	187,760	-	-	187,760
Operating lease liability, net of current portion	1,317,489	-	-	1,317,489
Deferred compensation payable	170,030	-	-	170,030
	<u>1,675,279</u>	<u>-</u>	<u>-</u>	<u>1,675,279</u>
<b>Total liabilities</b>	<u>3,105,560</u>	<u>-</u>	<u>-</u>	<u>3,105,560</u>
<b>Net assets</b>				
Without donor restrictions	243,896,250	107,794	-	244,004,044
With donor restrictions	-	417,138	-	417,138
	<u>243,896,250</u>	<u>524,932</u>	<u>-</u>	<u>244,421,182</u>
<b>Total liabilities and net assets</b>	<u>\$ 247,001,810</u>	<u>524,932</u>	<u>-</u>	<u>247,526,742</u>

See accompanying independent auditors' report.

Interact for Health and Subsidiary  
Consolidating Statement of Activities  
Year Ended December 31, 2023

	Interact for	InterAct for Change		Eliminating	Eliminating	Total
	Health	Without Donor	With Donor	Entries	Entries	
	Without Donor	Restrictions	Restrictions	Without Donor	With Donor	
	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	
Revenues:						
Net investment return	\$ 19,400,954	22,985	53,560	-	-	19,477,499
Other income:						
Grants and contributions received	-	21,327	1,142,500	(21,327)	(230,000)	912,500
Miscellaneous income	-	4,101	-	-	-	4,101
Net assets released from restrictions	-	515,464	(515,464)	(230,000)	230,000	-
<b>Total revenues</b>	<b>19,400,954</b>	<b>563,877</b>	<b>680,596</b>	<b>(251,327)</b>	<b>-</b>	<b>20,394,100</b>
Expenses:						
Grants and direct charitable expenses	9,780,596	310,000	-	(251,327)	-	9,839,269
Program operating	2,675,497	207,945	-	-	-	2,883,442
Total program expenses	12,456,093	517,945	-	(251,327)	-	12,722,711
Management and general	883,346	26,095	-	-	-	909,441
<b>Total expenses</b>	<b>13,339,439</b>	<b>544,040</b>	<b>-</b>	<b>(251,327)</b>	<b>-</b>	<b>13,632,152</b>
Change in net assets	6,061,515	19,837	680,596	-	-	6,761,948
Net assets at beginning of year	243,896,250	107,794	417,138	-	-	244,421,182
Net assets at end of year	\$ 249,957,765	127,631	1,097,734	-	-	251,183,130

See accompanying independent auditors' report.

Interact for Health and Subsidiary  
Consolidating Statement of Activities  
Year Ended December 31, 2022

	Interact for	InterAct for Change		Eliminating	Eliminating	Total
	Health	Without Donor	With Donor	Entries	Entries	
	Without Donor	Without Donor	With Donor	Without Donor	With Donor	
	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	
Revenues:						
Net investment return	\$ (15,450,465)	-	(67,750)	-	-	(15,518,215)
Other income:						
Grants and contributions received	-	17,325	275,000	(17,325)	(125,000)	150,000
Miscellaneous income	-	4,557	-	-	-	4,557
Net assets released from restrictions	-	279,112	(279,112)	(125,000)	125,000	-
<b>Total revenues</b>	<b>(15,450,465)</b>	<b>300,994</b>	<b>(71,862)</b>	<b>(142,325)</b>	<b>-</b>	<b>(15,363,658)</b>
Expenses:						
Grants and direct charitable expenses	9,019,697	270,240	-	(142,325)	-	9,147,612
Program operating	2,536,454	9,524	-	-	-	2,545,978
Total program expenses	11,556,151	279,764	-	(142,325)	-	11,693,590
Management and general	881,098	24,359	-	-	-	905,457
<b>Total expenses</b>	<b>12,437,249</b>	<b>304,123</b>	<b>-</b>	<b>(142,325)</b>	<b>-</b>	<b>12,599,047</b>
Change in net assets	(27,887,714)	(3,129)	(71,862)	-	-	(27,962,705)
Net assets at beginning of year	271,783,964	110,923	489,000	-	-	272,383,887
Net assets at end of year	\$ 243,896,250	107,794	417,138	-	-	244,421,182

See accompanying independent auditors' report.

