

**WORKSITE WELLNESS LA
FINANCIAL STATEMENTS**

JUNE 30, 2016
(with summarized comparative information for 2015)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Worksite Wellness LA

We have reviewed the accompanying financial statements of Worksite Wellness LA (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We have previously reviewed Worksite Wellness LA's 2015 financial statements and in our conclusion dated November 18, 2015, stated that based on our review, we were not aware of any material modifications that should be made to the 2015 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2015, for it to be consistent with the reviewed financial statements from which it has been derived.



GUZMAN & GRAY CPAs

Long Beach, CA

November 14, 2016

WORKSITE WELLNESS LA
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	\$ 39,487	\$ 62,398
Certificates of deposit		52,670
Grants, contracts and program fees receivable	63,677	42,227
Prepaid expenses	3,664	5,008
TOTAL CURRENT ASSETS	106,828	162,303
FURNITURE AND EQUIPMENT, net of accumulated depreciation	-	-
OTHER ASSETS	3,444	3,444
TOTAL ASSETS	\$ 110,272	\$ 165,747
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 239	\$ 12,992
Accrued payroll wages and taxes	9,688	8,672
Accrued vacation payable	6,869	3,249
Grant advances		48,500
TOTAL CURRENT LIABILITIES	16,796	73,413
NET ASSETS		
Unrestricted	93,476	92,334
TOTAL LIABILITIES AND NET ASSETS	\$ 110,272	\$ 165,747

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Operating Revenue and Support		
Grants and contracts	\$ 294,877	\$ 245,602
Program fees	74,041	95,878
Contributions	12,151	15,150
Other	214	86
Interest	3	159
Total Operating Revenue and Support	381,286	356,875
Expenses		
Program services	343,427	320,195
Management and general	16,275	14,528
Fundraising	20,442	15,500
Total Expenses	380,144	350,223
Change in Net Assets	1,142	6,652
Net Assets - Beginning	92,334	85,682
Net Assets - Ending	\$ 93,476	\$ 92,334

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	Program Services	Management and General	Fundraising	2016	2015
Consultant	\$ 69,464	-	\$ 13,200	\$ 82,664	\$ 90,916
Employee benefits	17,601	\$ 956	574	19,131	17,962
Insurance	6,506	723	-	7,229	7,536
Accounting	12,511	1,390	-	13,901	12,050
Office supplies	3,249	811	-	4,060	5,055
Professional fees	2,136	113	-	2,249	2,346
Payroll taxes	17,175	933	560	18,668	16,117
Rent	19,380	1,020	-	20,400	20,400
Salaries and wages	187,298	10,179	6,108	203,585	171,117
Telephone	2,836	150	-	2,986	3,266
Travel	5,271	-	-	5,271	3,458
Totals	<u>\$ 343,427</u>	<u>\$ 16,275</u>	<u>\$ 20,442</u>	<u>\$ 380,144</u>	<u>\$ 350,223</u>

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,142	\$ 6,652
Changes in assets and liabilities		
(Increase) decrease in grants, contracts and program fees receivable	(21,450)	(9,170)
(Increase) decrease in prepaid expenses	1,344	108
Increase (decrease) in accounts payable	(12,753)	7,826
Increase (decrease) in accrued payroll wages and taxes	1,016	3,115
Increase (decrease) in accrued vacation payable	3,620	1,472
Increase (decrease) in grant advances	(48,500)	19,600
NET CASH FROM OPERATING ACTIVITIES	(75,581)	29,603
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Maturity of certificates deposit	52,670	
Increase in certificates of deposit		(182)
NET CASH FROM INVESTMENT ACTIVITIES	52,670	(182)
NET INCREASE(DECREASE) IN CASH	(22,911)	29,421
CASH AT BEGINNING OF THE YEAR	62,398	32,977
CASH AT END OF YEAR	\$ 39,487	\$ 62,398
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	NONE	NONE
Income tax paid	NONE	NONE

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 1 – ORGANIZATION

General

Worksite Wellness LA (Organization) is a not-for-profit entity that strives to improve the health status of low income, medically underserved families through outreach and health education programs in workplaces in Los Angeles County, California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets include those net assets that may be used by the Organization for any of its programs or administrative support.
- Temporarily restricted net assets are subject to donor imposed restrictions which will be met either by the Organization's actions or the passage of time. Items that increase this net asset category are contributions restricted as to time or purpose. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions have been met or expired. The Organization did not have any temporarily restricted net assets at June 30, 2016 and 2015, respectively.
- Permanently restricted net assets are subject to donor-imposed restrictions that do not expire. Funds held in perpetuity, while the income is available for general or designated program use. The Organization did not have permanently restricted net assets at June 30, 2016 and 2015, respectively.
- Net assets are released by incurring expenses satisfying the restriction or by the occurrence of events specified by the donors. The Organization did not have permanently restricted net assets at June 30, 2016 and 2015, respectively.

Basis of Accounting

The Financial statements of the Organization have been prepared in conformity with accounting principles applicable to nonprofit organization. Accordingly, the Organization's net assets are classified for financial reporting purposes and unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions.

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash on hand and cash in other depository institutions with an original maturity of three months or less to be cash equivalents. Short-term investments with an original maturity of three months or less are considered cash equivalents.

Grants and Program Income

Grant and program revenues earned, but not yet received, are recorded as a receivable, and grant and program funds received before the revenue recognition criteria have been met are reported as grant advances. Grant and program expenditures are recorded when the liability is incurred. Grant revenue and expenses relating to each program are classified and recorded in the appropriate general ledger account. General operations and programs are also recorded in the appropriate general ledger account.

Contributions Receivable

Contributions, including unconditional promises, are recognized as revenue net of present value discount, when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises made and collected in the same reporting period are recorded as contribution revenue in the appropriate net asset category when received. Promises of non-cash assets are recorded at fair value. Conditional promises are recorded when donor stipulations are substantially met. The Organization did not have any contributions receivable amounts at June 30, 2016 and 2015, respectively. Contributions receivable are reported net of allowance for doubtful accounts. No allowance for doubtful accounts has been established as management believes that all receivables are collectible at June 30, 2016 and 2015, respectively.

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture, Fixture and Equipment

Furniture, fixture and equipment are stated at cost when purchased and at fair market value when donated. Depreciation and amortization is provided on the straight-line method over estimated useful lives of two to five years. Repairs and maintenance are expenses as incurred. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized.

Accrued Vacation

Accruals for vacation are made on a monthly basis as such benefits become payable to employees. Pay rate increases are applied to the hours earned in prior periods, if any, and are reported in salaries and wages in the statement of functional expenses.

Income Taxes

Worksite Wellness LA a qualified nonprofit organization that is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701 of the California Revenue Code.

Donated Assets and Services

Contributed Assets

Donated assets and services received in-kind are recorded at their fair market value when the donations are received.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization that do not meet the requirements to be recognized for financial statement purposes.

Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services benefited.

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The Organization has adopted the provisions of Generally Accepted Accounting Principles (GAAP), *Fair Value Measurements and Disclosures* for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis.

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Reporting of Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through November 14, 2016 which represents the date the financial statements were available to be issued.

NOTE 3 – GRANTS, CONTRACTS, PROGRAM FEES AND GRANT ADVANCES

Grants, contracts, program fees receivable for the years ended June 30, 2016 and 2015 consist of amounts due from granting agencies for the services rendered. The management expects all amounts to be collected and has not set up an allowance for uncollectible amounts. Grant advances represent monies received from granting agencies in accordance with and in advance of the performance of the contract.

Grants, contracts and program fees receivable consists of the following at June 30,

	<u>2016</u>	<u>2015</u>
Grants and contracts	\$ 10,000	\$ 19,307
Program fees	<u>53,677</u>	<u>22,920</u>
	<u>\$ 63,677</u>	<u>\$ 42,227</u>

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 3 – GRANTS RECEIVABLE AND GRANT ADVANCES (Continued)

Grant advances consists of the following at June 30,

	2016	2015
Kaiser Permanente	\$ NONE	\$ 27,000
California Wellness Foundation	NONE	16,500
California Endowment	NONE	
Ahmanson Foundation	NONE	5,000
	\$ NONE	\$ 48,500

NOTE 4 – CASH EQUIVALENT

Investments are recorded at market value. The historical market values are as follows:

	June 30, 2016		June 30, 2015	
	Cost	Market	Cost	Market
Certificates of Deposit	\$ NONE	\$ NONE	\$ 52,327	\$ 52,670

NOTE 5 – FURNITURE, FIXTURES, AND EQUIPMENT

Furniture, Fixtures, and Equipment consists of the following:

	Years Ended June 30,	
	2016	2015
Office Furniture and Furniture	\$ 57,007	\$ 57,007
Less: Accumulated Depreciation	(57,007)	(57,007)
	\$ NONE	\$ NONE

Depreciation expense for the years ended June 30, 2016 and 2015 was \$0 and \$0, respectively.

NOTE 5 – LEASES

The Organization leases its facility in Los Angeles, California on a month to month basis. Rent payments for the fiscal years 2016 and 2015 were approximately \$1,700 per month, respectively.

Total rent expense for the years ended June 30, 2016 and 2015 was \$20,400 and \$20,400, respectively.

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with summarized comparative totals at June 30, 2015)

NOTE 5 - CONCENTRATION OF CREDIT RISK

Worksite Wellness LA operates in Los Angeles County, California and is subject to fluctuations in the local economy; which could impact contributions, specifically grants and donations.

The Organization maintains interest and noninterest bearing cash equivalent accounts at a financial institution located in Southern California. Some account balances are fully insured by the Federal Deposit Insurance Corporation. Effective January 1, 2011 through December 31, 2014, the Federal Deposit Insurance Corporation (FDIC) will fully insure, without limit, all noninterest bearing transaction accounts. Insurance limit for interest bearing accounts is \$250,000 per depositor per institution. At some times during the year, cash balances may exceed this amount. Management believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

Cash equivalent balances deposited and maintained by financial institutions differ from cash equivalents presented in the statement of financial position due to timing differences.

The Organization received approximately 78% and 69% of its support from grants and contracts for the years ended June 30, 2016 and 2015, respectively. Management believes they are in compliance with all terms and requirements of these grants and contracts.

NOTE 6 – FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles (GAAP) establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other observable inputs, which include quoted prices for similar assets and liabilities, and market support inputs. These inputs could include such items as interest rates, yield curves, auction prices for equipment or per square foot selling prices for real estate.

Level 3: Inputs that are unobservable inputs for assets and liabilities are based on the Organization's assumptions. These include inputs that are internally developed and estimated.

WORKSITE WELLNESS LA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016
(with summarized comparative totals at June 30, 2015)

NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

In instances where the determination of the fair value measurement is based upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair measurement in its entirety.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2016:

	Quoted Prices	in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Input Level 3
	<u>Fair Market Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	<u>\$ NONE</u>	<u>\$ NONE</u>	<u>NONE</u>	<u>NONE</u>

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2015:

	Quoted Prices	in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Input Level 3
	<u>Fair Market Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	<u>\$ 52,670</u>	<u>\$ 52,670</u>	<u>NONE</u>	<u>NONE</u>

The carrying value of cash equivalents, money market accounts, certificates of deposit, receivables, other assets, accounts payable, accrued expenses and grant advances are reasonable estimates of fair value due to the short term nature of these financial instruments and consequently these instruments are not presented as there are no changes in the valuation of any of these financial instruments.