WORKSITE WELLNESS LA
FINANCIAL STATEMENTS

JUNE 30, 2020

(with summarized comparative financial information for 2019)

CONTENTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Worksite Wellness LA

Report on Financial Statements

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, 2020, 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 2019 financial statements and in our conclusion dated November 15, 2020, stated that based on our review, we were not aware of any material modifications that should be made to the 2019 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, 2019, for it to be consistent with the reviewed financial statements from which it has been derived.

Guzman & Gray

GUZMAN & GRAY CPAs
Long Beach, CA
May 11, 2021

WORKSITE WELLNESS LA
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020
(with summarized comparative financial information at June 30, 2019)

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	$ 459,758	$ 283,191
Grants, contracts and program fees receivable	51,230	52,978
Prepaid expenses	4,713	6,408
TOTAL CURRENT ASSETS	515,701	342,577
FURNITURE AND EQUIPMENT, net of accumulated depreciation	-	-
OTHER ASSETS	3,444	3,829
TOTAL ASSETS	$ 519,145	$ 346,406
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 2,703	$ 2,628
Accrued payroll wages and taxes	17,035	13,784
Deferred income	129,000	209,084
Accrued vacation payable	13,005	7,048
Economic Injury Disaster loan	641	-
	162,384	232,544
NONCURRENT LIABILITIES		
Paycheck Protection Program Forgivable Loan	75,020	-
Economic Injury Disaster loan	149,359	-
	224,379	
TOTAL CURRENT LIABILITIES	386,763	232,544
NET ASSETS		
Without donor restrictions	132,382	113,862
TOTAL LIABILITIES AND NET ASSETS	$ 519,145	$ 346,406

WORKSITE WELLNESS LA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2020
(with summarized comparative financial information at June 30, 2019)

	2020	2019
Operating Revenue and Support		
Grants and contracts	$ 415,306	$ 340,895
Program fees	83,816	137,001
Contributions	18,250	17,794
Other	6	457
Interest	2,819	1,812
Total Operating Revenue and Support	520,197	497,959
Expenses		
Program services	432,773	402,112
Support services		
Management and general	31,314	25,788
Fundraising	37,590	29,930
Total Expenses	501,677	457,830
Change in Net Assets		
Without Donor Restrictions	18,520	40,129
Net Assets - Beginning		
Without Donor Restrictions	113,862	73,733
Net Assets - Ending		
Without Donor Restrictions	$ 132,382	$ 113,862

WORKSITE WELLNESS LA
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2020
(with summarized comparative financial information at June 30, 2019)

	Program Services	Support Services: Management and General	Support Services: Fundraising	2020	2019
Salaries and wages	$ 285,878	$ 15,538	$ 9,322	$ 310,738	$ 256,363
Consultant	29,273	-	8,808	38,081	49,550
Program	-	-	-	-	24,789
Employee benefits	32,070	1,743	1,046	34,858	27,597
Rent	19,380	1,020	-	20,400	20,400
Development	-	-	16,575	16,575	11,900
Payroll taxes	26,496	1,440	864	28,800	23,418
Accounting	13,073	1,452	975	15,500	14,525
Professional fees	1,732	2,803	-	4,535	1,823
Insurance	6,268	2,511	-	8,779	6,965
Travel	3,356	-	-	3,356	6,266
Office supplies	12,468	3,114	-	15,582	5,369
Telephone	2,779	852	-	3,631	2,926
Other	-	761	-	761	954
Postage and Printing	-	81	-	81	1,251
Meetings & conferences	-	-	-	-	3,734
Totals	$ 432,773	$ 31,314	$ 37,590	$ 501,677	$ 457,830

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020
(with summarized comparative financial information at June 30, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 18,520	$ 40,129
Changes in assets and liabilities		
(Increase) decrease in grants, contracts and program fees receivable	1,748	26,718
(Increase) decrease in prepaid expenses	1,695	(817)
(Increase) decrease in other assets	385	(385)
Increase (decrease) in accounts payable	75	(6,263)
Increase (decrease) in accrued payroll wages and taxes	3,251	2,439
Increase (decrease) in deferred income	(80,084)	184,584
Increase (decrease) in accrued vacation payable	5,957	1,370
NET CASH FROM OPERATING ACTIVITIES	(48,453)	247,775
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Econoic Injury Disaster Loan	150,000	
Proceeds from PPP forgivable loan	75,020	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	225,020	-
NET INCREASE IN CASH & CASH EQUIVALENTS	176,567	247,775
CASH AT BEGINNING OF THE YEAR	283,191	35,416
CASH AT END OF YEAR	$ 459,758	$ 283,191

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	NONE	NONE
Income tax paid	NONE	NONE

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 Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America "GAAP".

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), with the intended purpose of improving financial reporting relating to revenue from contracts with customers. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. On October 1, 2019, the Organization adopted ASU 2014-09 and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. None of the Organization's material revenue streams fall within the scope of ASC 606.

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 provisions of this ASU are to be applied for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018. This ASU was issued to standardize how grants and other contracts are classified across the sector for resource recipients and resource providers. The standard will assist these types of 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 transactions (reciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. On October 1, 2019, the Organization adopted ASU 2018-08. All grants within the scope of ASU 2018-08 were accounted for as contributions that were conditional as of September 30, 2020, as they are all cost reimbursement. There was no change in how revenue was recorded as a result of the adoption of ASU 2018-08.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the America Institute of Certified Public Accountant (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"), (ASC) 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified 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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions:
Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization does not have net assets with donor restrictions.

Net assets released from donor restrictions:
Net assets are released by incurring expenses satisfying the restriction or occurrence of the other events specified by donors.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Net assets without donor restrictions include designated amounts by the Organization's Board of Directors for various purposes.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Grants and 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, 2020 and 2019, 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, 2020 and 2019, respectively.

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 costs are expensed 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization allocates its expenses on a functional basis among their various programs and support services. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Salaries and wages, payroll taxes and employee benefits are based on time and effort. Certain costs such as program, development, accounting, professional fees, insurance, travel, office supplies, other, postage and printing, and meetings and conferences are allocated based on estimated usage for programs and support services. Costs related to space include rent, telephone and depreciation are allocated on a square footage basis.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (*Topic 842*) (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

Reporting of Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through May 11, 2021 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, 2020 and 2019 consists 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,

	2020	2019
Grants and contracts	$ 49,305	$ 43,633
Program fees	1,925	9,345
	$ 51,230	$ 52,978

Grant advances for the years ended June 30, 2020 and 2019 was $129,000 and $209,084.

NOTE 4 – FURNITURE, FIXTURES, AND EQUIPMENT

Furniture, Fixtures, and Equipment consists of the following:

	Years Ended June 30,	
	2020	2019
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, 2020 and 2019 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 2020 and 2019 were approximately $1,700 per month, respectively.

Rent expense for the years ended June 30, 2020 and 2019 was $20,400 and $20,400, respectively.

NOTE 6 - CONCENTRATION OF CREDIT RISK AND UNCERTAINTIES

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. 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.

Concentration of Credit Risk (Continued)

The Organization received approximately 84% and 68% of its support from grants and contracts for the years ended June 30, 2020 and 2019, respectively. Management believes they are in compliance with all terms and requirements of these grants and contracts.

Uncertainties

Toward the end of December 2019, an outbreak of a novel strain of coronavirus ("COVID -19") emerged globally. On March 13, 2020, the United States President declared a national emergency. The extent to which COVID-19 may impact the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted at this time.

NOTE 7 – PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN

In May 2020, the Organization received loan proceeds of $75,020 from a local bank under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration ("SBA"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES" Act), can loan a qualifying organization up to 2.5 times the qualifying organization's average monthly payroll expenses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds during the 8 or up to 24 week covered period it selects for payroll, healthcare benefits, interest on loans obligations incurred before February 15, 2020, rent and utilities as outlined in the loan agreement. Additionally, the Organization must maintain certain payroll levels in order for the loan to be forgiven. The amount of the loan forgiveness could be reduced if the borrower terminates employees or reduces salaries during the selected covered period.

NOTE 7 – PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN (Continued)

The unforgiven portion of the PPP loan is payable over two years from the disbursement date. Interest is accrued on the loan at 1% from the disbursement date which May 26, 2020. Payments of the principal and interest are deferred until the date the lender receives notification from the SBA of any unforgiven loan amount but not to exceed the final loan forgiveness application due date. Any remaining balance due on the loan must be repaid on or before the maturity date of the loan. The Organization can apply for forgiveness of all or some of the loan principles and accrued interest as long as the borrower uses the loan proceeds for certain purposes, as outlined in the loan agreement. At June 30, 2020, the Organization did not recognize any forgiveness as all costs had been reimbursed by several grants. Future forgiveness, if any, will be dependent upon costs that exceed any grant reimbursements.

The following is a schedule of future payments required under the terms of the PPP loan as of June 30, 2020:

June 30, 2020	
2021	$ -
2022	75,020
	$ 75,020

NOTE 8 – ECONOMIC INJURY DISASTER LOAN

On June 10, 2020 the Organization obtained an economic injury disaster ("EID") relief loan from the U.S. Small Business Administration ("SBA"), and is due in thirty years from the date of the promissory note. The loan was provided by the SBA in order to alleviate economic injury caused by the global pandemic crisis. The loan is secured by all tangible and intangible personal property as described in the SBA loan agreement, and has an annual interest rate of 2.75 percent. Monthly payments of $641 will begin twelve months after the promissory note date which is June 10, 2021.

As of June 30, 2020, the outstanding balance of the EID loan is as follows:

Loan payable	$ 149,359
Less current maturity	641
Noncurrent Maturity	$ 150,000

NOTE 8 – ECONOMIC INJURY DISASTER LOAN

The following is a schedule of future minimum loan payments:

June 30,		
2021	$	641
2022		7,692
2023		7,692
2024		7,692
2025		7,692
Thereafter		118,591
	$	150,000

NOTE 9 – LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	$	459,758
Grants, contracts and program fees receivable		51,230
Total Financial Assets Available to Management for General Expenditures Within One Year	$	510,988

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover programs and general expenditures that may not be covered by donor-restricted resources.