WORKSITE WELLNESS LA
FINANCIAL STATEMENTS

JUNE 30, 2018
(with summarized comparative financial information for 2017)

CONTENTS

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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, 2018, 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 2017 financial statements and in our conclusion dated January 12, 2018, stated that based on our review, we were not aware of any material modifications that should be made to the 2017 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, 2017, for it to be consistent with the reviewed financial statements from which it has been derived.

Guzman & Gray

GUZMAN & GRAY CPAs
Long Beach, CA
October 26, 2018

WORKSITE WELLNESS LA
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018
(with summarized comparative financial information at June 30, 2017)

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	$ 35,416	$ 33,029
Grants, contracts and program fees receivable	79,696	87,893
Prepaid expenses	5,591	2,559
TOTAL CURRENT ASSETS	120,703	123,481
FURNITURE AND EQUIPMENT, net of accumulated depreciation	-	-
OTHER ASSETS	3,444	3,444
TOTAL ASSETS	$ 124,147	$ 126,925
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 8,890	$ 6,771
Accrued payroll wages and taxes	11,346	12,026
Deferred income	24,500	
Accrued vacation payable	5,678	8,742
TOTAL CURRENT LIABILITIES	50,414	27,539
NET ASSETS		
Unrestricted	73,733	99,386
TOTAL LIABILITIES AND NET ASSETS	$ 124,147	$ 126,925

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2018
(with summarized comparative financial information at June 30, 2017)

	2018	2017
Operating Revenue and Support		
Grants and contracts	$ 212,420	$ 338,760
Program fees	154,119	196,987
Contributions	30,630	22,695
Other		54
Interest	1	4
Total Operating Revenue and Support	397,170	558,500
Expenses		
Program services	385,824	508,015
Management and general	15,604	21,002
Fundraising	21,395	23,573
Total Expenses	422,823	552,590
Change in Net Assets	(25,653)	5,910
Net Assets - Beginning	99,386	93,476
Net Assets - Ending	$ 73,733	$ 99,386

WORKSITE WELLNESS LA
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2018
(with summarized comparative financial information at June 30, 2017)

	Program Services	Management and General	Fundraising	2018	2017
Salaries and wages	$ 174,324	$ 9,475	$ 5,685	189,483	255,407
Consultant	66,610	-	14,400	81,010	$ 177,122
Program	55,786	-	-	55,786	55,786
Employee benefits	19,122	1,039	623	20,784	26,964
Rent	19,380	1,020	-	20,400	20,400
Payroll taxes	15,881	863	518	17,262	23,396
Accounting	13,096	1,454	-	14,550	14,600
Professional fees	5,831	307	-	6,138	8,158
Insurance	5,444	605	-	6,049	5,966
Travel	5,121	-		5,121	8,350
Office supplies	2,865	716	-	3,581	9,179
Telephone	2,365	125	-	2,490	2,792
Printing	-	-	169	169	-
Meetings & conferences	-	-	-	-	256
Totals	$ 385,824	$ 15,604	$ 21,395	$ 422,823	$ 552,590

WORKSITE WELLNESS LA
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018
(with summarized comparative financial information at June 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (25,653)	$ 5,910
Changes in assets and liabilities		
(Increase) decrease in grants, contracts and program fees receivable	8,197	(24,216)
(Increase) decrease in prepaid expenses	(3,032)	1,105
Increase (decrease) in accounts payable	2,119	6,532
Increase (decrease) in accrued payroll wages and taxes	(680)	2,338
Increase (decrease) in deferred income	24,500	
Increase (decrease) in accrued vacation payable	(3,064)	1,873
NET CASH FROM OPERATING ACTIVITIES	2,387	(6,458)
NET DECREASE IN CASH	2,387	(6,458)
CASH AT BEGINNING OF THE YEAR	33,029	39,487
CASH AT END OF YEAR	$ 35,416	$ 33,029
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	NONE	NONE
Income tax paid	NONE	NONE

See accompanying notes and accountants' review report

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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017, 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.

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.

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, 2018 and 2017, 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, 2018 and 2017, respectively.

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 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.

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.

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.

Recently Issued 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) (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in accordance with accounting principles generally accepted in the United States of America when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

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, 2019, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

In August 2016, the FASB released ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The update amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes relate to: (a) presentation of classes of net assets, (b) the presentation of underwater endowment funds and related disclosures, (c) recognition of the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) statement of functional expense, (e) disclosure of quantitative and qualitative information regarding liquidity and availability of resources; and a few smaller items. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

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(ASU 2018-08), which provides additional guidance on characterizing grants and similar contracts with resource provides as either exchange transactions or contributions. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. 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 October 26, 2018 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, 2018 and 2017 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,

	2018	2017
Grants and contracts	$ 60,387	$ 29,923
Program fees	19,309	58,770
	$ 79,696	$ 87,893

month, respectively.

NOTE 4 – FURNITURE, FIXTURES, AND EQUIPMENT

Furniture, Fixtures, and Equipment consists of the following:

	Years Ended June 30,	
	2018	2017
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, 2018 and 2017 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 2018 and 2017 were approximately $1,700 per month, respectively.

Rent expense for the years ended June 30, 2018 and 2017 was $20,400 and $20,400, respectively.

NOTE 6 - 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.

The Organization received approximately 61% and 61% of its support from grants and contracts for the years ended June 30, 2018 and 2017, respectively. Management believes they are in compliance with all terms and requirements of these grants and contracts.