WORKSITE WELLNESS LA
FINANCIAL STATEMENTS

JUNE 30, 2019

(with summarized comparative
financial information for 2018)

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, 2019, 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 2018 financial statements and in our conclusion dated October 26, 2018, stated that based on our review, we were not aware of any material modifications that should be made to the 2018 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, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.

Guzman & Gray

GUZMAN & GRAY CPAs
Long Beach, CA
November 15, 2019

WORKSITE WELLNESS LA
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019
(with summarized comparative financial information at June 30, 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	$ 283,191	$ 35,416
Grants, contracts and program fees receivable	52,978	79,696
Prepaid expenses	6,408	5,591
TOTAL CURRENT ASSETS	342,577	120,703
FURNITURE AND EQUIPMENT, net of accumulated depreciation	-	-
OTHER ASSETS	3,829	3,444
TOTAL ASSETS	$ 346,406	$ 124,147
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 2,628	$ 8,890
Accrued payroll wages and taxes	13,784	11,346
Deferred income	209,084	24,500
Accrued vacation payable	7,048	5,678
TOTAL CURRENT LIABILITIES	232,544	50,414
NET ASSETS		
Without donor restrictions	113,862	73,733
TOTAL LIABILITIES AND NET ASSETS	$ 346,406	$ 124,147

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2019
(with summarized comparative financial information at June 30, 2018)

	2019	2018
Operating Revenue and Support		
Grants and contracts	$ 340,895	$ 212,420
Program fees	137,001	154,119
Contributions	17,794	30,630
Other	457	-
Interest	1,812	1
Total Operating Revenue and Support	497,959	397,170
Expenses		
Program services	402,112	385,824
Support services		
Management and general	25,788	15,604
Fundraising	29,930	21,395
Total Expenses	457,830	422,823
Change in Net Assets		
Without Donor Restrictions	40,129	(25,653)
Net Assets - Beginning		
Without Donor Restrictions	73,733	99,386
Net Assets - Ending		
Without Donor Restrictions	$ 113,862	$ 73,733

WORKSITE WELLNESS LA
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2019
(with summarized comparative financial information at June 30, 2018)

		Support Services			
	Program Services	Management and General	Fundraising	2019	2018
Salaries and wages	$ 235,853	$ 12,819	$ 7,691	$ 256,363	$ 189,483
Consultant	40,742	-	8,808	49,550	81,010
Program	24,789	-	-	24,789	55,786
Employee benefits	25,390	1,380	828	27,597	20,784
Rent	19,380	1,020	-	20,400	20,400
Development	-	-	11,900	11,900	-
Payroll taxes	21,544	1,170	703	23,418	17,262
Accounting	13,073	1,452	-	14,525	14,550
Professional fees	1,732	91	-	1,823	6,138
Insurance	6,268	697	-	6,965	6,049
Travel	6,266	-	-	6,266	5,121
Office supplies	4,296	1,073	-	5,369	3,581
Telephone	2,779	147	-	2,926	2,490
Other	-	954	-	954	-
Postage and Printing	-	1,251	-	1,251	169
Meetings & conferences	-	3,734	-	3,734	-
Totals	$ 402,112	$ 25,788	$ 29,930	$ 457,830	$ 422,823

See accompanying notes and accountants' review report

WORKSITE WELLNESS LA
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019
(with summarized comparative financial information at June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 40,129	$ (25,653)
Changes in assets and liabilities		
(Increase) decrease in grants, contracts and program fees receivable	26,718	8,197
(Increase) decrease in prepaid expenses	(817)	(3,032)
(Increase) decrease in other assets	(385)	-
Increase (decrease) in accounts payable	(6,263)	2,119
Increase (decrease) in accrued payroll wages and taxes	2,439	(680)
Increase (decrease) in deferred income	184,584	24,500
Increase (decrease) in accrued vacation payable	1,370	(3,064)
NET CASH FROM OPERATING ACTIVITIES	247,775	2,387
NET DECREASE IN CASH	247,775	2,387
CASH AT BEGINNING OF THE YEAR	35,416	33,029
CASH AT END OF YEAR	$ 283,191	$ 35,416

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".

New Accounting Pronouncements Implemented this Year

For the year ended June 30, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14-Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

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, 2018.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019 and 2018, 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, 2019 and 2018, 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting of Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through November 15, 2019, 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, 2019 and 2018 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,

	2019	2018
Grants and contracts	$ 43,633	$ 60,387
Program fees	9,345	19,309
	$ 52,978	$ 79,696

NOTE 4 – FURNITURE, FIXTURES, AND EQUIPMENT

Furniture, Fixtures, and Equipment consists of the following:

	Years Ended June 30,	
	2019	2018
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, 2019 and 2018 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 2019 and 2018 were approximately $1,700 per month, respectively.

Rent expense for the years ended June 30, 2019 and 2018 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 78% and 61% of its support from grants and contracts for the years ended June 30, 2019 and 2018, respectively. Management believes they are in compliance with all terms and requirements of these grants and contracts.

NOTE 7 – LIQUIDITY

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

Cash	$	283,191
Grants, contracts and program fees receivable		52,978
Total Financial Assets Available to Management for General Expenditures Within One Year	$	336,169

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has deferred income of $209,084 which will be used for programs and support services over the next 12 months.

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.