



# MUELLER & CO., LLP

*Certified Public Accountants – Business & Financial Advisors*

ASSURANCE

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2020 AND 2019**

MUELLER

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Wellness House and Wellness  
House Foundation, Inc.  
Hinsdale, Illinois

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Wellness House and Wellness House Foundation, Inc., which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

## **Auditor's Responsibility, Continued**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wellness House and Wellness House Foundation, Inc. as of June 30, 2020 and 2019, 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.

## **Emphasis of Matter**

As discussed in Note 2 of the consolidated financial statements, for the year ended June 30, 2020, Wellness House and Wellness House Foundation, Inc. adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. Our opinion is not modified with respect to this matter.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 25 through 32 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.

*Muller & Co., LLP*

Elgin, Illinois  
September 14, 2020

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2020 AND 2019**

**ASSETS**

	2020	2019
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,386,094	1,214,544
Contributions receivable	191,504	21,719
Prepaid expenses	74,283	83,495
Total current assets	1,651,881	1,319,758
<b>Other assets:</b>		
Property and equipment, net	2,151,981	2,214,663
Cash and cash equivalents, endowment	490,296	433,906
Investments, endowment	10,397,160	10,926,807
Total other assets	13,039,437	13,575,376
	\$ 14,691,318	14,895,134

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	\$ 90,439	47,805
Accrued expenses	79,263	82,506
Refundable advances	40,700	70,300
Total current liabilities	210,402	200,611
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	1,327,622	974,076
Undesignated equity in property and equipment	2,151,981	2,214,663
Board-designated for endowment	4,237,880	5,110,175
Total without donor restrictions	7,717,483	8,298,914
With donor restrictions:		
Time and purpose restrictions	100,100	123,905
Perpetual restrictions	6,663,333	6,271,704
Total with donor restrictions	6,763,433	6,395,609
Total net assets	14,480,916	14,694,523
	\$ 14,691,318	14,895,134

The accompanying notes are an integral part of the consolidated financial statements.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2020**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL	
<b>Support and revenue:</b>					
Contributions	\$ 1,106,774	441,007	391,629	832,636	1,939,410
Special events, net	1,121,558	-	-	-	1,121,558
Grants	169,590	240,100	-	240,100	409,690
In-kind contributions	117,615	-	-	-	117,615
Net investment loss	(290,977)	-	-	-	(290,977)
Miscellaneous revenue	1,821	-	-	-	1,821
	<u>2,226,381</u>	<u>681,107</u>	<u>391,629</u>	<u>1,072,736</u>	<u>3,299,117</u>
Net assets released from restrictions	<u>704,912</u>	<u>(704,912)</u>	<u>-</u>	<u>(704,912)</u>	<u>-</u>
Total support and revenue	<u>2,931,293</u>	<u>(23,805)</u>	<u>391,629</u>	<u>367,824</u>	<u>3,299,117</u>
<b>Expenses:</b>					
Program services	2,421,563	-	-	-	2,421,563
Administrative	419,570	-	-	-	419,570
Development	671,591	-	-	-	671,591
Total expenses	<u>3,512,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,512,724</u>
Change in net assets	(581,431)	(23,805)	391,629	367,824	(213,607)
Balance of net assets, July 1, 2019	<u>8,298,914</u>	<u>123,905</u>	<u>6,271,704</u>	<u>6,395,609</u>	<u>14,694,523</u>
Balance of net assets, June 30, 2020	<u>\$ 7,717,483</u>	<u>100,100</u>	<u>6,663,333</u>	<u>6,763,433</u>	<u>14,480,916</u>

The accompanying notes are an integral part of the consolidated financial statements.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2019**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL	
<b>Support and revenue:</b>					
Contributions	\$ 1,446,547	6,500	280,218	286,718	1,733,265
Special events, net	1,141,387	-	-	-	1,141,387
Grants	106,590	191,400	-	191,400	297,990
In-kind contributions	132,250	-	-	-	132,250
Net investment return	101,853	22,207	-	22,207	124,060
Miscellaneous revenue	12,020	-	-	-	12,020
	<u>2,940,647</u>	<u>220,107</u>	<u>280,218</u>	<u>500,325</u>	<u>3,440,972</u>
Net assets released from restrictions	<u>480,899</u>	<u>(480,899)</u>	<u>-</u>	<u>(480,899)</u>	<u>-</u>
Total support and revenue	<u>3,421,546</u>	<u>(260,792)</u>	<u>280,218</u>	<u>19,426</u>	<u>3,440,972</u>
<b>Expenses:</b>					
Program services	2,426,304	-	-	-	2,426,304
Administrative	304,810	-	-	-	304,810
Development	692,948	-	-	-	692,948
Total expenses	<u>3,424,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,424,062</u>
Change in net assets	(2,516)	(260,792)	280,218	19,426	16,910
Balance of net assets, July 1, 2018	<u>8,301,430</u>	<u>384,697</u>	<u>5,991,486</u>	<u>6,376,183</u>	<u>14,677,613</u>
Balance of net assets, June 30, 2019	<u>\$ 8,298,914</u>	<u>123,905</u>	<u>6,271,704</u>	<u>6,395,609</u>	<u>14,694,523</u>

The accompanying notes are an integral part of the consolidated financial statements.

WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	ADMINISTRATIVE	DEVELOPMENT	TOTAL
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				
Salaries and related expenses:										
Salaries	\$ 197,230	142,356	324,175	113,679	293,270	267,653	1,338,363	303,332	341,682	1,983,377
Employee benefits	34,410	16,586	40,847	14,606	45,055	36,886	188,390	24,549	34,617	247,556
Payroll taxes	14,552	10,485	23,644	8,171	21,816	19,582	98,250	21,852	24,145	144,247
<b>Total salaries and related expenses</b>	<b>246,192</b>	<b>169,427</b>	<b>388,666</b>	<b>136,456</b>	<b>360,141</b>	<b>324,121</b>	<b>1,625,003</b>	<b>349,733</b>	<b>400,444</b>	<b>2,375,180</b>
Computer and phone	11,195	7,302	17,693	5,792	15,838	12,423	70,243	7,249	15,792	93,284
Dues and subscriptions	2,040	983	2,421	866	2,671	2,187	11,168	1,365	2,143	14,676
Insurance	1,986	2,595	11,437	2,478	4,538	2,099	25,133	2,635	1,331	29,099
Miscellaneous	197	131	637	96	270	225	1,556	5,393	9,850	16,799
Occupancy costs	2,450	5,184	24,202	4,921	7,796	2,630	47,183	1,224	3,230	51,637
Office supplies	1,614	1,154	2,058	810	2,242	1,888	9,766	1,018	5,912	16,696
Postage	462	245	556	204	612	4,807	6,886	948	8,751	16,585
Printing	4,293	14,204	9,675	5,836	9,759	9,855	53,622	874	1,373	55,869
Professional fees	3,762	3,790	4,999	2,195	5,358	6,847	26,951	37,915	41,032	105,898
Program costs	21,831	76,615	49,474	63,623	3,803	35,085	250,431	-	11,269	261,700
Publicity	3,955	15,506	9,827	6,177	9,817	10,814	56,096	407	3,033	59,536
Rent	425	1,934	1,157	752	1,147	1,184	6,599	-	19,800	26,399
Repairs and maintenance	2,751	5,345	8,280	2,934	5,527	4,426	29,263	1,320	3,466	34,049
Fundraising events	948	4,307	2,578	1,676	2,554	2,637	14,700	-	121,380	136,080
Special events	176	99	286	89	247	189	1,086	112	8,212	9,410
Staff activities	4,176	1,948	5,879	1,708	6,692	4,546	24,949	2,821	5,054	32,824
Utilities	1,325	2,745	13,257	2,666	4,227	1,381	25,601	674	674	26,949
<b>Total expenses before depreciation</b>	<b>309,778</b>	<b>313,514</b>	<b>553,082</b>	<b>239,279</b>	<b>443,239</b>	<b>427,344</b>	<b>2,286,236</b>	<b>413,688</b>	<b>662,746</b>	<b>3,362,670</b>
Depreciation	10,189	14,124	62,615	13,451	24,147	10,801	135,327	5,882	8,845	150,054
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 319,967</b>	<b>327,638</b>	<b>615,697</b>	<b>252,730</b>	<b>467,386</b>	<b>438,145</b>	<b>2,421,563</b>	<b>419,570</b>	<b>671,591</b>	<b>3,512,724</b>
Expenses included with special events revenues on the consolidated statement of activities - Cost of direct benefit to donors	-	-	-	-	-	-	-	-	193,172	193,172
<b>Total expenses</b>	<b>\$ 319,967</b>	<b>327,638</b>	<b>615,697</b>	<b>252,730</b>	<b>467,386</b>	<b>438,145</b>	<b>2,421,563</b>	<b>419,570</b>	<b>864,763</b>	<b>3,705,896</b>

The accompanying notes are an integral part of the consolidated financial statements.



WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES						ADMINISTRATIVE	DEVELOPMENT	TOTAL	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				TOTAL PROGRAM SERVICES
Salaries and related expenses:										
Salaries	\$ 207,149	115,716	312,687	94,937	288,961	201,258	1,220,708	235,880	307,440	1,764,028
Employee benefits	28,359	17,187	42,538	14,609	46,620	23,632	172,945	9,010	44,263	226,218
Payroll taxes	15,545	8,542	23,536	6,935	22,261	14,756	91,575	17,024	22,341	130,940
Total salaries and related expenses	<u>251,053</u>	<u>141,445</u>	<u>378,761</u>	<u>116,481</u>	<u>357,842</u>	<u>239,646</u>	<u>1,485,228</u>	<u>261,914</u>	<u>374,044</u>	<u>2,121,186</u>
Computer and phone	10,528	6,967	15,963	5,571	17,463	9,417	65,909	2,737	15,807	84,453
Dues and subscriptions	165	100	248	85	271	138	1,007	184	1,070	2,261
Insurance	2,529	2,446	8,734	2,052	5,147	2,037	22,945	2,269	2,337	27,551
Miscellaneous	709	501	1,072	383	1,187	628	4,480	2,740	12,336	19,556
Occupancy costs	3,757	6,937	30,018	5,662	11,090	2,814	60,278	1,572	3,147	64,997
Office supplies	1,111	1,164	1,727	692	1,951	1,044	7,689	250	6,986	14,925
Postage	2,276	5,835	3,963	2,259	4,871	2,966	22,170	348	5,716	28,234
Printing	7,563	17,494	12,935	7,044	15,707	15,172	75,915	821	17,520	94,256
Professional fees	7,715	11,354	12,156	5,532	14,073	7,884	58,714	23,469	55,694	137,877
Program costs	19,501	90,241	55,280	79,011	5,053	36,271	285,357	-	16,125	301,482
Publicity	4,765	17,207	8,846	5,814	11,327	8,572	56,531	-	3,667	60,198
Rent	575	2,011	1,067	702	1,367	878	6,600	-	19,800	26,400
Repairs and maintenance	4,371	6,566	24,977	5,052	10,883	4,377	56,226	1,600	3,473	61,299
Fundraising events	2,168	7,583	4,025	2,646	5,154	3,312	24,888	-	119,411	144,299
Special events	322	251	786	212	590	299	2,460	73	16,746	19,279
Staff activities	3,022	2,371	6,231	1,735	12,557	3,330	29,246	769	4,444	34,459
Utilities	820	1,491	6,609	1,238	2,425	606	13,189	347	347	13,883
Total expenses before depreciation	<u>322,950</u>	<u>321,964</u>	<u>573,398</u>	<u>242,171</u>	<u>478,958</u>	<u>339,391</u>	<u>2,278,832</u>	<u>299,093</u>	<u>678,670</u>	<u>3,256,595</u>
Depreciation	14,946	17,131	56,051	14,255	33,222	11,867	147,472	5,717	14,278	167,467
Total expenses included in the expense section on the consolidated statement of activities	<u>\$ 337,896</u>	<u>339,095</u>	<u>629,449</u>	<u>256,426</u>	<u>512,180</u>	<u>351,258</u>	<u>2,426,304</u>	<u>304,810</u>	<u>692,948</u>	<u>3,424,062</u>
Expenses included with special events revenues on the consolidated statement of activities - Cost of direct benefit to donors	-	-	-	-	-	-	-	-	172,333	172,333
Total expenses	<u>\$ 337,896</u>	<u>339,095</u>	<u>629,449</u>	<u>256,426</u>	<u>512,180</u>	<u>351,258</u>	<u>2,426,304</u>	<u>304,810</u>	<u>865,281</u>	<u>3,596,395</u>

The accompanying notes are an integral part of the consolidated financial statements.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>Cash provided by (applied to) operating activities:</b>		
Change in net assets	\$ (213,607)	16,910
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Depreciation	150,054	167,467
Loss on disposal of equipment	2,104	573
Net realized and unrealized (gains) losses on investments	470,950	(18,873)
Contributions of investments	(95,488)	(185,063)
Contributions restricted for long-term purposes - endowment	(391,629)	(280,218)
Changes in:		
Contributions receivable	(169,785)	(10,219)
Prepaid expenses	9,212	1,877
Accounts payable	42,634	(20,895)
Accrued expenses	(3,243)	(13,929)
Refundable advances	(29,600)	67,800
	<u>(228,398)</u>	<u>(274,570)</u>
<b>Cash provided by (applied to) investing activities:</b>		
Proceeds from sales of investments	2,565,135	7,726,351
Purchases of investments	(2,410,950)	(7,335,124)
Purchases of property and equipment	(89,476)	(77,255)
	<u>64,709</u>	<u>313,972</u>
<b>Cash provided by financing activities -</b>		
Contributions restricted for long-term purposes - endowment	391,629	280,218
	<u>391,629</u>	<u>280,218</u>
Net increase in cash and cash equivalents	227,940	319,620
Cash and cash equivalents, beginning of year	1,648,450	1,328,830
	<u>1,648,450</u>	<u>1,328,830</u>
Cash and cash equivalents, end of year	\$ <u>1,876,390</u>	\$ <u>1,648,450</u>
<b>Noncash investing transactions:</b>		
Contributions of investments	\$ <u>95,488</u>	\$ <u>185,063</u>

The accompanying notes are an integral part of the consolidated financial statements.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 - NATURE OF ACTIVITIES**

Wellness House, a not-for-profit 501(c)(3) organization, envisions a community where all people affected by cancer thrive. Offered at no cost, and as a complement to medical treatment, Wellness House programs educate, support and empower participants so they will improve their physical and emotional well-being.

Wellness House opened its doors in July 1990 in response to a movement within the local community to follow a national model of providing free psychosocial support to people affected by cancer. At the time, there was a growing body of evidence that tending to the psychological and emotional needs of cancer patients resulted in less anxiety and depression and greater quality of life. In the early years, Wellness House focused its attention on support groups and informational programs.

As the experience of cancer evolved with an emphasis on early detection, enhanced medical interventions and increases in survival rates so did the science regarding the impact of psychosocial programs in decreasing the burden of the cancer experience, not only with patients but with family members as well. The Wellness House program evolved, as well, to meet the changing needs of cancer patients. Programs grew to include healthy living behaviors with a focus on nutritional education as well as exercise classes designed with the special needs of the survivor. Stress reduction programs increased to not only enhance the patient's ability to cope with cancer but also aid in treatment compliance by positively affecting negative side effects of cancer treatment. In addition, programs focusing on children in a home with a cancer patient were developed to meet the specific needs of this population with the goal of keeping them on track developmentally.

Wellness House programs take place both in-person and online. In-person programs take place in a 15,000 sq. ft. "homelike" environment and both types of programming welcome more than 3,500 people annually who make approximately 40,000 visits each year. Online programs are available for those who are not able to access the in person offerings due to a variety of reasons. Due to the growing recognition in the medical community of the importance of linking cutting edge medical care to excellent psychosocial support services, Wellness House is expanding its services to serve more people in the medical setting as well as in communities with little or no access to psychosocial support services. The goal is to ensure a seamless transition from the "patient" world to the "participant" world, where all people affected by cancer, including significant others, spouses and children actively participate in programs designed to improve their quality of life through cancer and beyond.

Wellness House Foundation, Inc. is a supporting organization to Wellness House. The majority of its Board of Directors are elected by the Wellness House Board of Directors.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles applicable to not-for-profit organizations and in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The accompanying consolidated financial statements present the consolidated financial position, activities and cash flows of Wellness House and Wellness House Foundation, Inc. (together known as the "Organization"), which are under common control. All significant inter-entity balances and transactions have been eliminated.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable consist of unconditional promises to give that are expected to be collected in future years. Unconditional promises to give expected to be collected in future years are initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2020 and 2019, an allowance for uncollectible promises to give was not deemed necessary.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the consolidated statements of financial position. Net investment return/loss is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Net investment return/loss is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment are stated at cost or, if donated, at the estimated fair value upon receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed as incurred. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Building and improvements	5 - 40 years
Equipment and furniture	3 - 10 years

Revenue Recognition

The majority of funding for the Organization's operations is provided by contributions and grants. Contribution revenues and other support are recognized in the fiscal year in which they are received. Grant revenues are recognized in the fiscal year in which they are awarded. Special event revenues are recognized in the fiscal year in which the event is conducted.

Conditional promises to give are recognized as contribution support and receivables when the conditions are substantially met. Payments received in advance for conditional promises to give are initially recorded as refundable advances. At June 30, 2020 and 2019 the Organization had \$124,900 and \$206,300 of conditional promises awarded for which the conditions have not been satisfied.

In-kind Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

A number of volunteers have donated their services to the programs of the Organization. Certain donated services, considered to be professional services, meet the criteria for revenue recognition. The amount of revenue recognized for donated services was \$117,615 and \$132,250 for the years ended June 30, 2020 and 2019, respectively.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Net Assets, Continued

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board of Directors of the Organization (Board) has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and related employee expenses are allocated to program and support service functions based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical or are allocated based on salaries.

Sales Tax

The State of Illinois (State) imposes a sales tax on all of the The Courtyard's sales to nonexempt customers. Refer to Note 15 for further information on The Courtyard. Wellness House collects that sales tax from its customers and remits the entire amount to the State. Wellness House's accounting policy is to record the collections and remittances of sales tax in a liability account.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make 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 and reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Concentration of Credit Risk

The Organization maintains its cash accounts in several financial institutions. The accounts in each institution are insured up to the applicable Federal Deposit Insurance Corporation limit. The Organization periodically has deposits in certain institutions in excess of the federal insured limits. The Organization has not experienced any losses in such accounts. The Organization does not believe it is exposed to any significant risk for cash.

Paycheck Protection Program Loan

In April 2020, pursuant to the Coronavirus Aid, Relief, and Economic Security Act, the Organization applied for a forgivable \$425,407 Paycheck Protection Program (PPP) loan. The loan will be forgiven as long as the proceeds are used to cover payroll costs and most mortgage interest, rent, and utility costs over the twenty-four week period after the loan is made. In addition, employee and compensation levels are required to be maintained. The Organization has elected to treat the PPP loan in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958 as it relates to conditional government grants. As a result, the Organization recognized contribution revenue for the year ended June 30, 2020 in an amount equal to qualifying expenses incurred by the Organization that meet the criteria for forgiveness. As of June 30, 2020, \$425,407 was recorded as contribution revenue in the consolidated statements of activities.

Change in Accounting Principles – Contributions Received and Contributions Made

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. In 2020, the Organization adopted ASU No. 2018-08 and has adjusted the presentation in these consolidated financial statements accordingly. ASU No. 2018-08 has been applied using the modified prospective method.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

New Accounting Standard – Revenue from Contracts

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, Revenue Recognition. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional consolidated financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2019. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2014-09 and the effect that ASU No. 2014-09 is expected to have on its financial position, changes in net assets, cash flows and related disclosures.

Subsequent Events

Management has evaluated subsequent events through September 14, 2020, which is the date the consolidated financial statements were available to be issued.

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year are comprised of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,876,390	1,648,450
Contributions receivable	191,504	21,719
Investments	<u>10,397,160</u>	<u>10,926,807</u>
	<u>12,465,054</u>	<u>12,596,976</u>
Less: amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	100,100	123,905
Board-designated endowment	4,237,880	5,110,175
Perpetual restrictions	<u>6,663,333</u>	<u>6,271,704</u>
	<u>11,001,313</u>	<u>11,505,784</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>1,463,741</u></u>	<u><u>1,091,192</u></u>



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 3 - LIQUIDITY AND AVAILABILITY, CONTINUED**

The Organization's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As of June 30, 2020, donor-restricted endowment funds are not available for general expenditure.

The Organization's board-designated endowment of \$4,237,880 and \$5,110,175 in 2020 and 2019, respectively, is subject to an annual spending rate of 5% of its endowment funds' average fair value of the prior 12 quarters through the fiscal year end preceding the fiscal year in which the distribution is planned, as described in Note 7. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Organization's goal is to maintain available financial assets sufficient to meet three to six months of general operating expenditures. To meet obligations and cash liquidity needs, the Organization maintains a revolving line of credit (Note 6). The purpose of the line of credit is to cover working capital expenses temporarily pending receipt of pledged or projected revenue.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Accounting standards generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.   |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability;</li><li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> |

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED**

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual and exchange traded funds: Fair value is measured using quoted prices of the funds in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020 and 2019:

<b>Assets at Fair Value as of June 30, 2020</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Mutual and exchange traded funds:				
Equities	\$ 514,307	-	-	514,307
Other	-	22,180	-	22,180
Bond and bond funds	3,516,311	-	-	3,516,311
Equity and exchange traded funds	<u>6,344,362</u>	<u>-</u>	<u>-</u>	<u>6,344,362</u>
Total assets at fair value	<u>\$ 10,374,980</u>	<u>22,180</u>	<u>-</u>	<u>10,397,160</u>

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
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**(CONTINUED)**

**NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED**

	<b>Assets at Fair Value as of June 30, 2019</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual and exchange				
traded funds:				
Equities	\$ 501,306	-	-	501,306
Other	-	46,060	-	46,060
Bond and bond funds	3,568,088	-	-	3,568,088
Equity and exchange traded funds	<u>6,811,353</u>	<u>-</u>	<u>-</u>	<u>6,811,353</u>
Total assets at fair value	\$ <u>10,880,747</u>	<u>46,060</u>	<u>-</u>	<u>10,926,807</u>

For the years ended June 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment of the Organization at June 30, 2020 and 2019 was comprised of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 500,000	500,000
Building and improvements	3,111,547	3,047,952
Equipment and furniture	<u>585,821</u>	<u>595,583</u>
Total	<u>4,197,368</u>	<u>4,143,535</u>
Less accumulated depreciation	<u>( 2,045,387)</u>	<u>( 1,928,872)</u>
Net property and equipment	\$ <u>2,151,981</u>	<u>2,214,663</u>

Depreciation expense was \$150,054 and \$167,467 for the years ended June 30, 2020 and June 30, 2019, respectively.

**NOTE 6 - LINE OF CREDIT**

The Organization has a \$200,000 line of credit, secured by certain assets of the Organization. This line expires on December 18, 2020 and bears interest at the Prime Rate (3.25% and 5.50% as of June 30, 2020 and 2019, respectively). No balance was owed as of June 30, 2020 and 2019, under this line of credit agreement. The Organization intends to renew the line of credit and believes it is probable it will be able to do so.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 7 - ENDOWMENT FUNDS**

Wellness House Foundation, Inc.'s endowment was established to provide support to Wellness House. Wellness House Foundation, Inc.'s endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Wellness House Foundation, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, Wellness House Foundation, Inc. classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Investment income associated with the perpetual endowment is available for purposes without restrictions in accordance with applicable donor gift instrument. In accordance with UPMIFA, Wellness House Foundation, Inc. considers the following factors in making a determination to appropriate or accumulate donor-restricted perpetual endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted perpetual endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Wellness House Foundation, Inc. and (7) Wellness House Foundation, Inc.'s investment policies.

Strategies Employed for Achieving Objectives

Wellness House Foundation, Inc. has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 7 - ENDOWMENT FUNDS, CONTINUED**

Strategies Employed for Achieving Objectives, Continued

Therefore, Wellness House Foundation, Inc. expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Wellness House Foundation, Inc. has a policy of appropriating for distribution each year to Wellness House, 5% of its endowment funds' average fair value of the prior 12 quarters through the fiscal year end preceding the fiscal year in which the distribution is planned. In establishing this policy, Wellness House Foundation, Inc. considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, certain of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. Additional appropriations are made from board-designated endowment assets each year to cover the management and general expenses of Wellness House Foundation, Inc. Wellness House Foundation, Inc. expects the current spending policies to allow its endowment funds to grow at a nominal average rate of 5% annually. This is consistent with Wellness House Foundation, Inc.'s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the historic dollar value at the date of the gift.

There were no such deficiencies at June 30, 2020 or 2019.

Endowment net asset composition by type of fund as of June 30, 2020:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Board-designated endowment funds	\$ 4,237,880	-	4,237,880
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	6,663,333	6,663,333
	\$ 4,237,880	6,663,333	10,901,213

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
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**(CONTINUED)**

**NOTE 7 - ENDOWMENT FUNDS, CONTINUED**

Changes in endowment net assets for the year ended June 30, 2020:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Endowment net assets, July 1, 2019	\$ <u>5,110,175</u>	<u>6,271,704</u>	<u>11,381,879</u>
Net investment loss	( 293,768)	-	( 293,768)
Appropriation of endowment assets for expenditures:			
Management and general expenses	( 10,136)	-	( 10,136)
Contribution to Wellness House	( 570,877)	-	( 570,877)
Contributions	<u>2,486</u>	<u>391,629</u>	<u>394,115</u>
	<u>( 872,295)</u>	<u>391,629</u>	<u>( 480,666)</u>
Endowment net assets, June 30, 2020	\$ <u><u>4,237,880</u></u>	<u><u>6,663,333</u></u>	<u><u>10,901,213</u></u>

Endowment net asset composition by type of fund as of June 30, 2019:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Board-designated endowment funds	\$ <u>5,110,175</u>	<u>-</u>	<u>5,110,175</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	<u>-</u>	<u>6,271,704</u>	<u>6,271,704</u>
	\$ <u><u>5,110,175</u></u>	<u><u>6,271,704</u></u>	<u><u>11,381,879</u></u>

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 7 - ENDOWMENT FUNDS, CONTINUED**

Changes in endowment net assets for the year ended June 30, 2019:

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Endowment net assets, July 1, 2018	\$ <u>5,332,903</u>	<u>6,172,948</u>	<u>11,505,851</u>
Net investment return	99,158	22,207	121,365
Appropriation of endowment assets for expenditures:			
Management and general expenses	-	( 9,588)	( 9,588)
Contribution to Wellness House	( 326,922)	( 194,081)	( 521,003)
Contributions	<u>5,036</u>	<u>280,218</u>	<u>285,254</u>
	<u>( 222,728)</u>	<u>98,756</u>	<u>( 123,972)</u>
Endowment net assets, June 30, 2019	\$ <u>5,110,175</u>	<u>6,271,704</u>	<u>11,381,879</u>

**NOTE 8 - RETIREMENT PLAN**

Wellness House sponsors an Internal Revenue Service (IRS) approved 403(b) type savings plan (Plan) covering all full-time employees who meet certain age and length of service requirements. Employees may contribute up to 100% of their salary to the Plan subject to Internal Revenue Code (IRC) limitations. Wellness House is required to contribute a matching amount equal to 50% of the contributions made by the employee up to 8%. Contributions to the Plan were \$53,473 and \$54,791 for the years ended June 30, 2020 and 2019, respectively, which is included with employee benefits on the statements of functional expenses.

**NOTE 9 - INCOME TAXES**

Both Wellness House and Wellness House Foundation, Inc. have been determined to be exempt from income tax under Section 501(c)(3) of the IRC as a not-for-profit organization, and accordingly, no provision has been made for either federal or state income taxes.

Both Wellness House and Wellness House Foundation, Inc. have evaluated their tax positions taken for all open tax years. Currently, the 2016, 2017 and 2018 tax years are open and subject to examination by the IRS, however, neither Wellness House nor Wellness House Foundation, Inc. is currently under audit or have been contacted by this jurisdiction.

Based on the evaluation of the Wellness House and Wellness House Foundation, Inc.'s tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2020 and 2019.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2020 and 2019 are related to donor contributions restricted for the following purposes:

	2020	2019
Offsite programming	\$ 10,000	10,000
Exercise and nutrition programming	18,150	18,150
Stress management programming	4,950	4,950
Wellness Beyond Walls	60,400	84,205
Information and education	6,600	6,600
Perpetual restrictions	6,663,333	6,271,704
	\$ 6,763,433	6,395,609

The restrictions are expected to expire and be released to net assets without donor restrictions in the following fiscal year.

**NOTE 11 - OPERATING LEASES**

The Organization has entered into lease commitments for certain building space and equipment. The leases provide for monthly installments ranging from \$234 to \$2,200 over the terms of the leases, which have terminations dates ending June 2023 to June 2024. Payments under these lease agreements totaled approximately \$43,000 and \$38,000 for the years ended June 30, 2020 and 2019.

The aggregate future minimum lease payments on these leases as of June 30, 2019 are as follows:

2021	\$	13,427
2022		13,427
2023		13,427
2024		2,807



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
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**NOTE 12 - JOINT COST OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL**

Wellness House conducts the Walk for Wellness House for the purposes of increasing public awareness and to raise funds for its programs. Costs were allocated as follows:

	<u>2020</u>	<u>2019</u>
Child and family programs	\$ 948	2,168
Information and education	4,307	7,583
Exercise and nutrition	2,578	4,025
Stress management	1,676	2,646
Support groups and counseling	2,554	5,154
Offsite programming	2,637	3,312
Development	<u>29,807</u>	<u>50,530</u>
	<u>\$ 44,507</u>	<u>75,418</u>

Wellness House operates a consignment shop, The Courtyard, for the purposes of raising awareness for customers about the work of the Wellness House, to provide volunteer opportunities for participants and to raise funds for its programs. Costs were allocated as follows:

	<u>2020</u>	<u>2019</u>
Child and family programs	\$ 1,490	2,215
Information and education	6,776	7,746
Exercise and nutrition	4,053	4,112
Stress management	2,635	2,703
Support groups and counseling	4,018	5,266
Offsite programming	4,148	3,383
Development	<u>69,373</u>	<u>76,276</u>
	<u>\$ 92,493</u>	<u>101,701</u>

**NOTE 13 - RELATED PARTY TRANSACTIONS**

A member of the Board for Wellness House and Wellness House Foundation, Inc. is Chairman Emeritus of the Organization's Investment Advisor. His son is the founding partner and CEO of the Investment Advisor. Investments under management total \$10,397,160 and \$10,926,807 for the years ended June 30, 2020 and 2019, respectively.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 14 - SPECIAL EVENTS, NET**

Net revenue from special events for the years ended June 30, 2020 and 2019 are summarized as follows:

		2020		
		Walk for Wellness House	Ball Gala	Total
Revenue	\$	544,287	770,443	1,314,730
Less costs of direct benefit to donors		( 12,743)	( 180,429)	( 193,172)
Net revenue from special events	\$	531,544	590,014	1,121,558
		2019		
		Walk for Wellness House	Ball Gala	Total
Revenue	\$	612,506	701,214	1,313,720
Less costs of direct benefit to donors		( 31,532)	( 140,801)	( 172,333)
Net revenue from special events	\$	580,974	560,413	1,141,387

**NOTE 15 - THE COURTYARD**

Wellness House operates a social enterprise doing business as The Courtyard which is a consignment furnishings and accessories store located in Hinsdale, Illinois. The store sells donated and consigned furniture and accessories; 100% of the proceeds support the Organization and its mission. In addition to providing revenue for Wellness House, The Courtyard raises awareness for customers about the work of the Organization. The store is primarily staffed with volunteers under the management of two part-time Wellness House employees. Revenues from the store are recognized net of consignment fees and are included as contributions revenue for Wellness House.

**NOTE 16 - RECLASSIFICATIONS**

Certain amounts in the June 30, 2019 consolidated financial statements have been reclassified to conform to the June 30, 2020 presentation.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 17 - IMPACT OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result, the Organization has temporarily suspended in-person activities at Wellness House and has moved all programs to an online environment. The Organization's special fundraising events have also been impacted by the pandemic due to limits on large social gatherings, however the fundraising events are still occurring in a format conducive to current protocols in place. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Therefore, while it is expected that this matter will negatively impact the Organization's financial position and changes in net assets, the related financial impact cannot be reasonably estimated at this time. As a result, the Organization is leveraging its consolidated statement of financial position and has access to the \$200,000 line of credit to increase its cash position and help preserve its financial flexibility.

**S U P P L E M E N T A R Y   I N F O R M A T I O N**

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2020**

**ASSETS**

	WELLNESS HOUSE	WELLNESS HOUSE FOUNDATION	ELIMINATIONS	TOTAL
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,386,094	-	-	1,386,094
Contributions receivable	191,504	20,000	(20,000)	191,504
Prepaid expenses	74,148	135	-	74,283
	<u>1,651,746</u>	<u>20,135</u>	<u>(20,000)</u>	<u>1,651,881</u>
<b>Total current assets</b>				
<b>Other assets:</b>				
Property and equipment, net	2,151,981	-	-	2,151,981
Cash and cash equivalents, endowment	-	490,296	-	490,296
Investments, endowment	3	10,397,157	-	10,397,160
	<u>2,151,984</u>	<u>10,887,453</u>	<u>-</u>	<u>13,039,437</u>
<b>Total other assets</b>				
	<u>\$ 3,803,730</u>	<u>10,907,588</u>	<u>(20,000)</u>	<u>14,691,318</u>

**LIABILITIES AND NET ASSETS**

	WELLNESS HOUSE	WELLNESS HOUSE FOUNDATION	ELIMINATIONS	TOTAL
<b>Current liabilities:</b>				
Accounts payable	\$ 104,064	6,375	(20,000)	90,439
Accrued expenses	79,263	-	-	79,263
Refundable advances	40,700	-	-	40,700
	<u>224,027</u>	<u>6,375</u>	<u>(20,000)</u>	<u>210,402</u>
<b>Total current liabilities</b>				
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	1,327,622	-	-	1,327,622
Undesignated equity in property and equipment	2,151,981	-	-	2,151,981
Board-designated for endowment	-	4,237,880	-	4,237,880
Total without donor restrictions	<u>3,479,603</u>	<u>4,237,880</u>	<u>-</u>	<u>7,717,483</u>
With donor restrictions:				
Time and purpose restrictions	100,100	-	-	100,100
Perpetual restrictions	-	6,663,333	-	6,663,333
Total with donor restrictions	<u>100,100</u>	<u>6,663,333</u>	<u>-</u>	<u>6,763,433</u>
<b>Total net assets</b>				
	<u>\$ 3,579,703</u>	<u>10,901,213</u>	<u>-</u>	<u>14,480,916</u>
	<u>\$ 3,803,730</u>	<u>10,907,588</u>	<u>(20,000)</u>	<u>14,691,318</u>

See Independent Auditor's Report.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2019**

**ASSETS**

	WELLNESS HOUSE	WELLNESS HOUSE FOUNDATION	ELIMINATIONS	TOTAL
<b>Current assets:</b>				
Cash and cash equivalents, current	\$ 1,214,544	-	-	1,214,544
Contributions receivable	21,719	21,000	(21,000)	21,719
Prepaid expenses	82,645	850	-	83,495
Total current assets	<u>1,318,908</u>	<u>21,850</u>	<u>(21,000)</u>	<u>1,319,758</u>
<b>Other assets:</b>				
Property and equipment, net	2,214,663	-	-	2,214,663
Cash and cash equivalents, endowment	-	433,906	-	433,906
Investments, endowment	-	10,926,807	-	10,926,807
Total other assets	<u>2,214,663</u>	<u>11,360,713</u>	<u>-</u>	<u>13,575,376</u>
	<u>\$ 3,533,571</u>	<u>11,382,563</u>	<u>(21,000)</u>	<u>14,895,134</u>

**LIABILITIES AND NET ASSETS**

	WELLNESS HOUSE	WELLNESS HOUSE FOUNDATION	ELIMINATIONS	TOTAL
<b>Current liabilities:</b>				
Accounts payable	\$ 68,121	684	(21,000)	47,805
Accrued expenses	82,506	-	-	82,506
Refundable advances	70,300	-	-	70,300
Total current liabilities	<u>220,927</u>	<u>684</u>	<u>(21,000)</u>	<u>200,611</u>
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	974,076	-	-	974,076
Undesignated equity in property and equipment	2,214,663	-	-	2,214,663
Board-designated for endowment	-	5,110,175	-	5,110,175
Total without donor restrictions	<u>3,188,739</u>	<u>5,110,175</u>	<u>-</u>	<u>8,298,914</u>
With donor restrictions:				
Time and purpose restrictions	123,905	-	-	123,905
Perpetual restrictions	-	6,271,704	-	6,271,704
Total with donor restrictions	<u>123,905</u>	<u>6,271,704</u>	<u>-</u>	<u>6,395,609</u>
Total net assets	<u>3,312,644</u>	<u>11,381,879</u>	<u>-</u>	<u>14,694,523</u>
	<u>\$ 3,533,571</u>	<u>11,382,563</u>	<u>(21,000)</u>	<u>14,895,134</u>

See Independent Auditor's Report.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

	WELLNESS HOUSE				WELLNESS HOUSE FOUNDATION				TOTAL	ELIMINATIONS	TOTAL	
	WITH DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS							
	WITHOUT DONOR RESTRICTIONS	TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL	TOTAL	WITHOUT DONOR RESTRICTIONS	TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS				TOTAL
<b>Support and revenue:</b>												
Contributions	\$ 1,675,165	441,007	-	441,007	2,116,172	2,486	-	391,629	391,629	394,115	(570,877)	1,939,410
Special events, net	1,121,558	-	-	-	1,121,558	-	-	-	-	-	-	1,121,558
Grants	169,590	240,100	-	240,100	409,690	-	-	-	-	-	-	409,690
In-kind contributions	117,615	-	-	-	117,615	125,771	-	-	-	125,771	(125,771)	117,615
Net investment return (loss)	2,791	-	-	-	2,791	(293,768)	-	-	-	(293,768)	-	(290,977)
Miscellaneous revenue	1,821	-	-	-	1,821	-	-	-	-	-	-	1,821
	<u>3,088,540</u>	<u>681,107</u>	<u>-</u>	<u>681,107</u>	<u>3,769,647</u>	<u>(165,511)</u>	<u>-</u>	<u>391,629</u>	<u>391,629</u>	<u>226,118</u>	<u>(696,648)</u>	<u>3,299,117</u>
Net assets released from restrictions	704,912	(704,912)	-	(704,912)	-	-	-	-	-	-	-	-
Total support and revenue	<u>3,793,452</u>	<u>(23,805)</u>	<u>-</u>	<u>(23,805)</u>	<u>3,769,647</u>	<u>(165,511)</u>	<u>-</u>	<u>391,629</u>	<u>391,629</u>	<u>226,118</u>	<u>(696,648)</u>	<u>3,299,117</u>
<b>Expenses:</b>												
Program services	2,547,334	-	-	-	2,547,334	549,287	-	-	-	549,287	(675,058)	2,421,563
Administrative	395,957	-	-	-	395,957	45,203	-	-	-	45,203	(21,590)	419,570
Development	559,297	-	-	-	559,297	112,294	-	-	-	112,294	-	671,591
Total expenses	<u>3,502,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,502,588</u>	<u>706,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,784</u>	<u>(696,648)</u>	<u>3,512,724</u>
Change in net assets	290,864	(23,805)	-	(23,805)	267,059	(872,295)	-	391,629	391,629	(480,666)	-	(213,607)
Balance of net assets, July 1, 2019	<u>3,188,739</u>	<u>123,905</u>	<u>-</u>	<u>123,905</u>	<u>3,312,644</u>	<u>5,110,175</u>	<u>-</u>	<u>6,271,704</u>	<u>6,271,704</u>	<u>11,381,879</u>	<u>-</u>	<u>14,694,523</u>
Balance of net assets, June 30, 2020	<u>\$ 3,479,603</u>	<u>100,100</u>	<u>-</u>	<u>100,100</u>	<u>3,579,703</u>	<u>4,237,880</u>	<u>-</u>	<u>6,663,333</u>	<u>6,663,333</u>	<u>10,901,213</u>	<u>-</u>	<u>14,480,916</u>

See Independent Auditor's Report.

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

	WELLNESS HOUSE				WELLNESS HOUSE FOUNDATION				TOTAL	ELIMINATIONS	TOTAL	
	WITH DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS							
	WITHOUT DONOR RESTRICTIONS	TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL				
<b>Support and revenue:</b>												
Contributions	\$ 1,962,513	6,500	-	6,500	1,969,013	5,036	-	280,218	280,218	285,254	(521,002)	1,733,265
Special events, net	1,141,387	-	-	-	1,141,387	-	-	-	-	-	-	1,141,387
Grants	106,590	191,400	-	191,400	297,990	-	-	-	-	-	-	297,990
In-kind contributions	132,250	-	-	-	132,250	108,192	-	-	-	108,192	(108,192)	132,250
Net investment return	2,695	-	-	-	2,695	99,158	22,207	-	22,207	121,365	-	124,060
Miscellaneous revenue	12,020	-	-	-	12,020	-	-	-	-	-	-	12,020
	<u>3,357,455</u>	<u>197,900</u>	<u>-</u>	<u>197,900</u>	<u>3,555,355</u>	<u>212,386</u>	<u>22,207</u>	<u>280,218</u>	<u>302,425</u>	<u>514,811</u>	<u>(629,194)</u>	<u>3,440,972</u>
Net assets released from restrictions	<u>277,230</u>	<u>(277,230)</u>	<u>-</u>	<u>(277,230)</u>	<u>-</u>	<u>203,669</u>	<u>(203,669)</u>	<u>-</u>	<u>(203,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,634,685</u>	<u>(79,330)</u>	<u>-</u>	<u>(79,330)</u>	<u>3,555,355</u>	<u>416,055</u>	<u>(181,462)</u>	<u>280,218</u>	<u>98,756</u>	<u>514,811</u>	<u>(629,194)</u>	<u>3,440,972</u>
<b>Expenses:</b>												
Program services	2,534,496	-	-	-	2,534,496	521,002	-	-	-	521,002	(629,194)	2,426,304
Administrative	282,058	-	-	-	282,058	22,752	-	-	-	22,752	-	304,810
Development	597,919	-	-	-	597,919	95,029	-	-	-	95,029	-	692,948
Total expenses	<u>3,414,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,414,473</u>	<u>638,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,783</u>	<u>(629,194)</u>	<u>3,424,062</u>
Change in net assets	220,212	(79,330)	-	(79,330)	140,882	(222,728)	(181,462)	280,218	98,756	(123,972)	-	16,910
Balance of net assets, July 1, 2018	<u>2,968,527</u>	<u>203,235</u>	<u>-</u>	<u>203,235</u>	<u>3,171,762</u>	<u>5,332,903</u>	<u>181,462</u>	<u>5,991,486</u>	<u>6,172,948</u>	<u>11,505,851</u>	<u>-</u>	<u>14,677,613</u>
Balance of net assets, June 30, 2019	\$ <u>3,188,739</u>	<u>123,905</u>	<u>-</u>	<u>123,905</u>	<u>3,312,644</u>	<u>5,110,175</u>	<u>-</u>	<u>6,271,704</u>	<u>6,271,704</u>	<u>11,381,879</u>	<u>-</u>	<u>14,694,523</u>

See Independent Auditor's Report.



**WELLNESS HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	PROGRAM SERVICES						ADMINISTRATIVE	DEVELOPMENT	TOTAL	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				TOTAL PROGRAM SERVICES
Salaries and related expenses:										
Salaries	\$ 197,230	142,356	324,175	113,679	293,270	267,653	1,338,363	292,231	249,182	1,879,776
Employee benefits	34,410	16,586	40,847	14,606	45,055	36,886	188,390	23,023	21,898	233,311
Payroll taxes	14,552	10,485	23,644	8,171	21,816	19,582	98,250	21,002	17,070	136,322
<b>Total salaries and related expenses</b>	<b>246,192</b>	<b>169,427</b>	<b>388,666</b>	<b>136,456</b>	<b>360,141</b>	<b>324,121</b>	<b>1,625,003</b>	<b>336,256</b>	<b>288,150</b>	<b>2,249,409</b>
Contributions to										
Wellness House Foundation, Inc.	4,317	14,082	69,485	11,398	17,508	8,981	125,771	-	-	125,771
Computer and phone	11,195	7,302	17,693	5,792	15,838	12,423	70,243	7,249	15,792	93,284
Dues and subscriptions	2,040	983	2,421	866	2,671	2,187	11,168	1,365	2,143	14,676
Insurance	1,986	2,595	11,437	2,478	4,538	2,099	25,133	966	1,331	27,430
Miscellaneous	197	131	637	96	270	225	1,556	5,383	9,850	16,789
Occupancy costs	2,450	5,184	24,202	4,921	7,796	2,630	47,183	1,224	3,230	51,637
Office supplies	1,614	1,154	2,058	810	2,242	1,888	9,766	1,018	5,912	16,696
Postage	462	245	556	204	612	4,807	6,886	948	8,751	16,585
Printing	4,293	14,204	9,675	5,836	9,759	9,855	53,622	874	1,373	55,869
Professional fees	3,762	3,790	4,999	2,195	5,358	6,847	26,951	29,458	41,032	97,441
Program costs	21,831	76,615	49,474	63,623	3,803	35,085	250,431	-	11,269	261,700
Publicity	3,955	15,506	9,827	6,177	9,817	10,814	56,096	407	3,033	59,536
Rent	425	1,934	1,157	752	1,147	1,184	6,599	-	19,800	26,399
Repairs and maintenance	2,751	5,345	8,280	2,934	5,527	4,426	29,263	1,320	3,466	34,049
Fundraising events	948	4,307	2,578	1,676	2,554	2,637	14,700	-	121,380	136,080
Special events	176	99	286	89	247	189	1,086	112	8,212	9,410
Staff activities	4,176	1,948	5,879	1,708	6,692	4,546	24,949	2,821	5,054	32,824
Utilities	1,325	2,745	13,257	2,666	4,227	1,381	25,601	674	674	26,949
<b>Total expenses before depreciation</b>	<b>314,095</b>	<b>327,596</b>	<b>622,567</b>	<b>250,677</b>	<b>460,747</b>	<b>436,325</b>	<b>2,412,007</b>	<b>390,075</b>	<b>550,452</b>	<b>3,352,534</b>
Depreciation	10,189	14,124	62,615	13,451	24,147	10,801	135,327	5,882	8,845	150,054
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 324,284</b>	<b>341,720</b>	<b>685,182</b>	<b>264,128</b>	<b>484,894</b>	<b>447,126</b>	<b>2,547,334</b>	<b>395,957</b>	<b>559,297</b>	<b>3,502,588</b>
Expenses included with special events revenues on the consolidated statement of activities - Cost of direct benefit to donors	-	-	-	-	-	-	-	-	193,172	193,172
<b>Total expenses</b>	<b>\$ 324,284</b>	<b>341,720</b>	<b>685,182</b>	<b>264,128</b>	<b>484,894</b>	<b>447,126</b>	<b>2,547,334</b>	<b>395,957</b>	<b>752,469</b>	<b>3,695,760</b>

See Independent Auditor's Report.

**WELLNESS HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	PROGRAM SERVICES						ADMINISTRATIVE	DEVELOPMENT	TOTAL	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				TOTAL PROGRAM SERVICES
Salaries and related expenses:										
Salaries	\$ 207,149	115,716	312,687	94,937	288,961	201,258	1,220,708	225,038	229,162	1,674,908
Employee benefits	28,359	17,187	42,538	14,609	46,620	23,632	172,945	7,519	33,500	213,964
Payroll taxes	15,545	8,542	23,536	6,935	22,261	14,756	91,575	16,194	16,353	124,122
<b>Total salaries and related expenses</b>	<b>251,053</b>	<b>141,445</b>	<b>378,761</b>	<b>116,481</b>	<b>357,842</b>	<b>239,646</b>	<b>1,485,228</b>	<b>248,751</b>	<b>279,015</b>	<b>2,012,994</b>
Contributions to Wellness House Foundation, Inc.	6,723	12,231	54,221	10,155	19,891	4,971	108,192	-	-	108,192
Computer and phone	10,528	6,967	15,963	5,571	17,463	9,417	65,909	2,737	15,807	84,453
Dues and subscriptions	165	100	248	85	271	138	1,007	184	1,070	2,261
Insurance	2,529	2,446	8,734	2,052	5,147	2,037	22,945	655	2,337	25,937
Miscellaneous	709	501	1,072	383	1,187	628	4,480	2,714	12,336	19,530
Occupancy costs	3,757	6,937	30,018	5,662	11,090	2,814	60,278	1,572	3,147	64,997
Office supplies	1,111	1,164	1,727	692	1,951	1,044	7,689	250	6,986	14,925
Postage	2,276	5,835	3,963	2,259	4,871	2,966	22,170	348	5,716	28,234
Printing	7,563	17,494	12,935	7,044	15,707	15,172	75,915	821	17,520	94,256
Professional fees	7,715	11,354	12,156	5,532	14,073	7,884	58,714	15,520	55,694	129,928
Program costs	19,501	90,241	55,280	79,011	5,053	36,271	285,357	-	16,125	301,482
Publicity	4,765	17,207	8,846	5,814	11,327	8,572	56,531	-	3,667	60,198
Rent	575	2,011	1,067	702	1,367	878	6,600	-	19,800	26,400
Repairs and maintenance	4,371	6,566	24,977	5,052	10,883	4,377	56,226	1,600	3,473	61,299
Fundraising events	2,168	7,583	4,025	2,646	5,154	3,312	24,888	-	119,411	144,299
Special events	322	251	786	212	590	299	2,460	73	16,746	19,279
Staff activities	3,022	2,371	6,231	1,735	12,557	3,330	29,246	769	4,444	34,459
Utilities	820	1,491	6,609	1,238	2,425	606	13,189	347	347	13,883
<b>Total expenses before depreciation</b>	<b>329,673</b>	<b>334,195</b>	<b>627,619</b>	<b>252,326</b>	<b>498,849</b>	<b>344,362</b>	<b>2,387,024</b>	<b>276,341</b>	<b>583,641</b>	<b>3,247,006</b>
Depreciation	14,946	17,131	56,051	14,255	33,222	11,867	147,472	5,717	14,278	167,467
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 344,619</b>	<b>351,326</b>	<b>683,670</b>	<b>266,581</b>	<b>532,071</b>	<b>356,229</b>	<b>2,534,496</b>	<b>282,058</b>	<b>597,919</b>	<b>3,414,473</b>
Expenses included with special events revenues on the consolidated statement of activities - Cost of direct benefit to donors	-	-	-	-	-	-	-	-	172,333	172,333
<b>Total expenses</b>	<b>\$ 344,619</b>	<b>351,326</b>	<b>683,670</b>	<b>266,581</b>	<b>532,071</b>	<b>356,229</b>	<b>2,534,496</b>	<b>282,058</b>	<b>770,252</b>	<b>3,586,806</b>

See Independent Auditor's Report.

**WELLNESS HOUSE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	PROGRAM SERVICES						ADMINISTRATIVE	DEVELOPMENT	TOTAL	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				TOTAL PROGRAM SERVICES
Salaries and related expenses:										
Salaries	\$ -	-	-	-	-	-	-	11,101	92,500	103,601
Employee benefits	-	-	-	-	-	-	-	1,526	12,719	14,245
Payroll taxes	-	-	-	-	-	-	-	850	7,075	7,925
Total salaries and related expenses	-	-	-	-	-	-	-	13,477	112,294	125,771
Contributions to Wellness House	18,855	61,500	303,462	49,782	76,466	39,222	549,287	21,590	-	570,877
Insurance	-	-	-	-	-	-	-	1,669	-	1,669
Miscellaneous	-	-	-	-	-	-	-	10	-	10
Professional fees	-	-	-	-	-	-	-	8,457	-	8,457
Total expenses	\$ 18,855	61,500	303,462	49,782	76,466	39,222	549,287	45,203	112,294	706,784

See Independent Auditor's Report.

WELLNESS HOUSE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES						ADMINISTRATIVE	DEVELOPMENT	TOTAL	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING				TOTAL PROGRAM SERVICES
Salaries and related expenses:										
Salaries	\$ -	-	-	-	-	-	-	10,842	78,278	89,120
Employee benefits	-	-	-	-	-	-	-	1,491	10,763	12,254
Payroll taxes	-	-	-	-	-	-	-	830	5,988	6,818
Total salaries and related expenses	-	-	-	-	-	-	-	13,163	95,029	108,192
Contributions to Wellness House	32,375	58,897	261,102	48,901	95,787	23,940	521,002	-	-	521,002
Insurance	-	-	-	-	-	-	-	1,614	-	1,614
Miscellaneous	-	-	-	-	-	-	-	26	-	26
Professional fees	-	-	-	-	-	-	-	7,949	-	7,949
Total expenses	\$ 32,375	58,897	261,102	48,901	95,787	23,940	521,002	22,752	95,029	638,783

See Independent Auditor's Report.