

Assurance

**WELLNESS HOUSE AND  
WELLNESS HOUSE FOUNDATION, INC.**  
Audited Consolidated Financial Statements  
Years Ended June 30, 2022 and 2021

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Wellness House and Wellness House Foundation, Inc.

### Opinion

We have audited the accompanying consolidated financial statements of Wellness House and Wellness House Foundation, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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 (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wellness House and Wellness House Foundation, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wellness House and Wellness House Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wellness House and Wellness House Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wellness House and Wellness House Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wellness House and Wellness House Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statements of Financial Position, Consolidating Statements of Activities, Statements of Functional Expenses - Wellness House, and Statements of Functional Expenses - Wellness House Foundation, Inc. are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Elgin, Illinois  
September 27, 2022

*PKF Mueller*

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	2022	2021
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,889,803	1,862,731
Contributions receivable	67,500	16,875
Prepaid expenses	107,445	49,932
Total current assets	2,064,748	1,929,538
<b>Other assets:</b>		
Property and equipment, net	2,067,146	2,082,792
Cash and cash equivalents, endowment	736,337	1,108,872
Investments	10,567,061	12,194,295
Total other assets	13,370,544	15,385,959
Total assets	\$ 15,435,292	17,315,497

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>		
Accounts payable	\$ 60,167	45,163
Accrued expenses	141,028	93,767
Refundable advances	-	47,600
Total liabilities	201,195	186,530
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	1,743,713	1,650,502
Undesignated equity in property and equipment	2,067,146	2,082,792
Board-designated for endowment	4,449,721	5,360,429
Total without donor restrictions	8,260,580	9,093,723
With donor restrictions:		
Time and purpose restrictions	120,000	1,256,911
Perpetual restrictions	6,853,517	6,778,333
Total with donor restrictions	6,973,517	8,035,244
Total net assets	15,234,097	17,128,967
Total liabilities and net assets	\$ 15,435,292	17,315,497

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, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS	
<b>Support and revenue:</b>					
Contributions	\$ 1,252,922	1,000	75,184	76,184	1,329,106
Special events, net	1,345,168	-	-	-	1,345,168
Grants	173,154	323,096	-	323,096	496,250
In-kind contributions	95,265	-	-	-	95,265
Net investment return	(746,962)	(776,579)	-	(776,579)	(1,523,541)
Miscellaneous revenue	9,037	-	-	-	9,037
Total support and revenue before releases	2,128,584	(452,483)	75,184	(377,299)	1,751,285
Net assets released from restrictions	684,428	(684,428)	-	(684,428)	-
Total support and revenue	<u>2,813,012</u>	<u>(1,136,911)</u>	<u>75,184</u>	<u>(1,061,727)</u>	<u>1,751,285</u>
<b>Expenses:</b>					
Program services	2,531,769	-	-	-	2,531,769
Supporting services:					
Administrative	361,993	-	-	-	361,993
Development	752,393	-	-	-	752,393
Total supporting services	1,114,386	-	-	-	1,114,386
Total expenses	<u>3,646,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,646,155</u>
Change in net assets	(833,143)	(1,136,911)	75,184	(1,061,727)	(1,894,870)
Net assets, beginning of year	9,093,723	1,256,911	6,778,333	8,035,244	17,128,967
Net assets, end of year	<u>\$ 8,260,580</u>	<u>120,000</u>	<u>6,853,517</u>	<u>6,973,517</u>	<u>15,234,097</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, 2021**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS	
<b>Support and revenue:</b>					
Contributions	\$ 1,387,752	10,527	115,000	125,527	1,513,279
Special events, net	963,826	-	-	-	963,826
Grants	130,302	253,293	-	253,293	383,595
In-kind contributions	86,991	-	-	-	86,991
Net investment return	1,114,660	1,763,076	-	1,763,076	2,877,736
Miscellaneous revenue	9,286	-	-	-	9,286
Total support and revenue before releases	3,692,817	2,026,896	115,000	2,141,896	5,834,713
Net assets released from restrictions	870,085	(870,085)	-	(870,085)	-
Total support and revenue	4,562,902	1,156,811	115,000	1,271,811	5,834,713
<b>Expenses:</b>					
Program services	2,201,542	-	-	-	2,201,542
Supporting services:					
Administrative	355,622	-	-	-	355,622
Development	629,498	-	-	-	629,498
Total supporting services	985,120	-	-	-	985,120
Total expenses	3,186,662	-	-	-	3,186,662
Change in net assets	1,376,240	1,156,811	115,000	1,271,811	2,648,051
Net assets, beginning of year	7,717,483	100,100	6,663,333	6,763,433	14,480,916
Net assets, end of year	\$ 9,093,723	1,256,911	6,778,333	8,035,244	17,128,967

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, 2022**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ 189,627	155,410	374,965	94,232	290,853	266,493	1,371,580	251,089	325,520	576,609	1,948,189
Employee benefits	28,493	16,216	46,099	12,741	40,076	29,188	172,813	25,228	33,610	58,838	231,651
Payroll taxes	14,170	11,677	27,583	6,875	21,903	20,432	102,640	18,717	24,153	42,870	145,510
<b>Total salaries and related expenses</b>	<b>232,290</b>	<b>183,303</b>	<b>448,647</b>	<b>113,848</b>	<b>352,832</b>	<b>316,113</b>	<b>1,647,033</b>	<b>295,034</b>	<b>383,283</b>	<b>678,317</b>	<b>2,325,350</b>
Computer and phone	11,185	7,117	18,247	5,093	15,842	13,102	70,586	9,204	16,244	25,448	96,034
Dues and subscriptions	1,410	827	3,498	649	2,027	1,463	9,874	1,164	2,275	3,439	13,313
Insurance	1,627	2,419	9,802	1,868	4,980	2,841	23,537	3,176	1,737	4,913	28,450
Miscellaneous	1,181	759	1,697	522	1,490	1,083	6,732	2,590	12,201	14,791	21,523
Occupancy costs	2,125	9,499	41,746	7,113	17,440	8,506	86,429	2,243	5,663	7,906	94,335
Office supplies	464	552	824	278	739	582	3,439	331	3,363	3,694	7,133
Postage	1,775	5,549	3,830	1,823	3,619	5,288	21,884	510	5,223	5,733	27,617
Printing	3,931	13,152	9,142	4,532	8,864	22,037	61,658	5,502	15,345	20,847	82,505
Professional fees	9,415	12,858	17,145	6,118	15,542	11,190	72,268	33,932	62,856	96,788	169,056
Program costs	13,765	72,930	48,174	51,495	3,456	43,598	233,418	-	30,137	30,137	263,555
Publicity	6,026	29,135	16,160	9,085	16,162	19,049	95,617	-	5,858	5,858	101,475
Rent	453	2,159	1,220	687	1,225	856	6,600	-	19,800	19,800	26,400
Repairs and maintenance	237	1,057	4,680	796	1,952	952	9,674	251	561	812	10,486
Fundraising events	1,939	9,235	5,218	2,940	5,240	3,662	28,234	-	174,530	174,530	202,764
Special events	70	40	113	31	98	71	423	57	142,744	142,801	143,224
Staff activities	4,231	2,439	7,372	1,912	5,972	4,242	26,168	3,265	4,992	8,257	34,425
Utilities	309	1,376	6,262	1,054	2,597	1,260	12,858	339	338	677	13,535
<b>Total expenses before depreciation</b>	<b>292,433</b>	<b>354,406</b>	<b>643,777</b>	<b>209,844</b>	<b>460,077</b>	<b>455,895</b>	<b>2,416,432</b>	<b>357,598</b>	<b>887,150</b>	<b>1,244,748</b>	<b>3,661,180</b>
Depreciation	4,537	12,267	53,310	9,364	23,663	12,196	115,337	4,395	6,452	10,847	126,184
<b>Total expenses</b>	<b>\$ 296,970</b>	<b>366,673</b>	<b>697,087</b>	<b>219,208</b>	<b>483,740</b>	<b>468,091</b>	<b>2,531,769</b>	<b>361,993</b>	<b>893,602</b>	<b>1,255,595</b>	<b>3,787,364</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(141,209)	(141,209)	(141,209)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 296,970</b>	<b>366,673</b>	<b>697,087</b>	<b>219,208</b>	<b>483,740</b>	<b>468,091</b>	<b>2,531,769</b>	<b>361,993</b>	<b>752,393</b>	<b>1,114,386</b>	<b>3,646,155</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, 2021**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ 189,973	138,009	324,892	101,349	304,664	227,653	1,286,540	266,829	303,235	570,064	1,856,604
Employee benefits	31,171	14,591	36,919	12,822	40,898	33,382	169,783	21,438	29,850	51,288	221,071
Payroll taxes	13,716	10,265	23,581	7,346	22,639	16,569	94,116	19,686	22,086	41,772	135,888
<b>Total salaries and related expenses</b>	<b>234,860</b>	<b>162,865</b>	<b>385,392</b>	<b>121,517</b>	<b>368,201</b>	<b>277,604</b>	<b>1,550,439</b>	<b>307,953</b>	<b>355,171</b>	<b>663,124</b>	<b>2,213,563</b>
Computer and phone	12,423	6,448	15,053	5,204	16,482	14,309	69,919	7,845	14,893	22,738	92,657
Dues and subscriptions	1,533	717	1,830	630	2,011	1,641	8,362	978	1,544	2,522	10,884
Insurance	2,437	1,827	8,400	1,714	4,625	3,026	22,029	3,109	2,229	5,338	27,367
Miscellaneous	1,076	588	1,311	459	1,443	1,179	6,056	5,595	10,795	16,390	22,446
Occupancy costs	2,505	5,164	33,039	4,946	11,142	5,027	61,823	1,600	4,645	6,245	68,068
Office supplies	392	411	550	206	601	492	2,652	211	2,674	2,885	5,537
Postage	1,574	3,257	2,702	1,045	2,706	2,583	13,867	452	4,371	4,823	18,690
Printing	3,656	8,362	7,250	2,786	7,305	8,993	38,352	3,483	16,438	19,921	58,273
Professional fees	360	2,353	1,333	549	1,253	1,039	6,887	18,975	45,455	64,430	71,317
Program costs	7,368	57,910	49,068	42,269	1,837	30,649	189,101	-	26,738	26,738	215,839
Publicity	4,060	16,637	11,279	4,512	10,885	10,373	57,746	-	3,040	3,040	60,786
Rent	473	1,947	1,320	531	1,275	1,054	6,600	-	19,800	19,800	26,400
Repairs and maintenance	409	835	5,442	812	1,828	820	10,146	264	590	854	11,000
Fundraising events	1,534	6,320	4,284	1,722	4,138	3,421	21,419	-	110,465	110,465	131,884
Special events	44	20	52	18	57	47	238	28	37,170	37,198	37,436
Staff activities	1,624	833	2,381	651	2,576	1,986	10,051	945	1,731	2,676	12,727
Utilities	383	766	5,173	766	1,724	766	9,578	252	252	504	10,082
<b>Total expenses before depreciation</b>	<b>276,711</b>	<b>277,260</b>	<b>535,859</b>	<b>190,337</b>	<b>440,089</b>	<b>365,009</b>	<b>2,085,265</b>	<b>351,690</b>	<b>658,001</b>	<b>1,009,691</b>	<b>3,094,956</b>
Depreciation	6,057	9,451	59,517	9,259	21,526	10,467	116,277	3,932	5,860	9,792	126,069
<b>Total expenses</b>	<b>\$ 282,768</b>	<b>286,711</b>	<b>595,376</b>	<b>199,596</b>	<b>461,615</b>	<b>375,476</b>	<b>2,201,542</b>	<b>355,622</b>	<b>663,861</b>	<b>1,019,483</b>	<b>3,221,025</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(34,363)	(34,363)	(34,363)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 282,768</b>	<b>286,711</b>	<b>595,376</b>	<b>199,596</b>	<b>461,615</b>	<b>375,476</b>	<b>2,201,542</b>	<b>355,622</b>	<b>629,498</b>	<b>985,120</b>	<b>3,186,662</b>

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, 2022 AND 2021**

	2022	2021
<b>Cash provided (used) by operating activities:</b>		
Change in net assets	\$ (1,894,870)	2,648,051
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	126,184	126,069
Loss on disposal of property and equipment	-	2,381
Net realized and unrealized (gains) losses on investments	1,670,165	(2,714,566)
Contributions of investments	(72,307)	(64,169)
Contributions restricted for long-term purposes - endowment	(75,184)	(115,000)
Changes in:		
Contributions receivable	(50,625)	174,629
Prepaid expenses	(57,513)	24,351
Accounts payable	15,004	(45,276)
Accrued expenses	47,261	14,504
Refundable advances	(47,600)	6,900
	<u>(339,485)</u>	<u>57,874</u>
Net cash provided (used) by operating activities		
<b>Cash provided (used) by investing activities:</b>		
Proceeds from sales of investments	2,084,436	4,314,557
Purchases of investments	(2,055,060)	(3,332,957)
Purchases of property and equipment	(110,538)	(59,261)
	<u>(81,162)</u>	<u>922,339</u>
Net cash provided (used) by investing activities		
<b>Cash provided by financing activities:</b>		
Contributions restricted for long-term purposes - endowment	75,184	115,000
	<u>75,184</u>	<u>115,000</u>
Net increase (decrease) in cash and cash equivalents	(345,463)	1,095,213
Cash and cash equivalents, beginning of year	2,971,603	1,876,390
	<u>2,971,603</u>	<u>1,876,390</u>
Cash and cash equivalents, end of year	\$ 2,626,140	2,971,603
<b>Noncash investing transactions:</b>		
Contributions of investments	\$ 72,307	64,169
	<u>72,307</u>	<u>64,169</u>
<b>Summary of Cash Accounts</b>		
Cash and cash equivalents	\$ 1,889,803	1,862,731
Cash and cash equivalents, endowment	736,337	1,108,872
	<u>736,337</u>	<u>1,108,872</u>
	<u>\$ 2,626,140</u>	<u>2,971,603</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**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 - NATURE OF OPERATIONS**

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 derives its revenue primarily through contributions from donors and special events to support these programs.

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 over 3,000 people annually who make over 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.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

Principles of Consolidation

The accompanying consolidated financial statements (collectively, financial statements) include the accounts of Wellness House and Wellness House Foundation, Inc. Together, Wellness House and Wellness House Foundation, Inc. will be referred to as the "Organization." All significant interorganizational transactions and balances have been eliminated in consolidation.

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. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. 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, 2022 and 2021, 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 in the consolidated statements of financial position. Thereafter, investments are reported at their fair value in the consolidated statements of financial position. Net investment return (including realized and unrealized gains and losses, interest, and dividends) is reported net of external and direct internal investment expenses and 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.

Property and Equipment

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. The Organization capitalizes property and equipment over \$1,000 that have a useful life of more than one year. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets 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

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

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:

*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. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Support and Revenue Recognition

The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Special event revenue is recognized at the point in time the event takes place as this represents the point at which the goods or services are provided to the customer. Amounts received in advance of the special event are reported as deferred revenue in the consolidated statements of financial position.

The Organization's contracts with customers contain similar terms and as a result, the Organization has elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. The Organization does not expect the results of doing so to differ materially from applying the guidance to individual contracts.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Consequently, at June 30, 2022 and 2021, contributions of \$0 and \$47,600, respectively, have not been recognized in the consolidated statements of activities because the conditions on which they depend have not yet been met.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

Change in Accounting Principles – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the consolidated statements of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended June 30, 2022, the Organization adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

In-Kind Contributions

The Organization receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fundraising activities. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Contributed services are valued and are reported at the estimated fair value based on current rates for similar services. The Organization received contributed services primarily from finance, operations, exercise, and stress management professionals that benefited various programs and administration.

The Organization's policy related to in-kind contributions is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. No significant contributions of such assets were received during the years ended June 30, 2022 and 2021.

Functional 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 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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

Sales Tax

The State of Illinois (State) imposes a sales tax on all of The Courtyard's sales to nonexempt customers. Refer to Note 14 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.

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 Internal Revenue Code (IRC), and accordingly, no provision has been made for either federal or state income taxes.

Both Wellness House and Wellness House Foundation, Inc. have evaluated the tax positions taken for all open tax years. Currently, the 2018, 2019 and 2020 tax years are open and subject to examination by the Internal Revenue Service; however, neither Wellness House nor Wellness House Foundation, Inc. are currently under audit nor have they been contacted by this jurisdiction.

Based on the evaluation of Wellness House and Wellness House Foundation, Inc.'s tax positions, management believes all positions 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, 2022 and 2021.

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash balances in several financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times the Organization's cash deposits were in excess of the FDIC limit. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk for cash.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases in the consolidated statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its consolidated financial position, changes in net assets, cash flows, and related disclosures.

Subsequent Events

Subsequent events have been evaluated through September 27, 2022, the date that the 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 of the date of the consolidated statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,626,140	2,971,603
Contributions receivable	67,500	16,875
Investments	<u>10,567,061</u>	<u>12,194,295</u>
Total financial assets	<u>13,260,701</u>	<u>15,182,773</u>
Less: amounts not available for general expenditures within one year, due to:		
Board-designated endowment	4,449,721	5,360,429
Donor-restricted for a specific purpose	120,000	1,256,911
Perpetual restrictions	<u>6,853,517</u>	<u>6,778,333</u>
Total amounts not available for general expenditures within one year	<u>11,423,238</u>	<u>13,395,673</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,837,463</u>	<u>1,787,100</u>

The Organization's endowments consist of perpetually restricted donor contributions 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, 2022 and 2021, donor-restricted endowment funds were not available for general expenditure.



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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

The Organization's board-designated endowment of \$4,449,721 and \$5,360,429 at June 30, 2022 and 2021, 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 the 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 establish 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 management has the ability to access at the measurement date.   |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as: <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> 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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED**

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, 2022 and 2021.

Mutual and exchange traded funds: Valued at the closing price as reported on the active market on which the individual securities are traded.

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 management 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 tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021:

	<b>Assets at Fair Value as of June 30, 2022</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual and exchange traded funds:				
Equities	\$ 584,855	-	-	584,855
Other	60,715	-	-	60,715
Bond and bond funds	3,595,952	-	-	3,595,952
Equity and exchange traded funds	<u>6,325,539</u>	<u>-</u>	<u>-</u>	<u>6,325,539</u>
Total assets fair value	<u>\$ 10,567,061</u>	<u>-</u>	<u>-</u>	<u>10,567,061</u>

	<b>Assets at Fair Value as of June 30, 2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual and exchange traded funds:				
Equities	\$ 695,897	-	-	695,897
Other	70,579	-	-	70,579
Bond and bond funds	3,504,486	-	-	3,504,486
Equity and exchange traded funds	<u>7,923,333</u>	<u>-</u>	<u>-</u>	<u>7,923,333</u>
Total assets at fair value	<u>\$ 12,194,295</u>	<u>-</u>	<u>-</u>	<u>12,194,295</u>

For the years ended June 30, 2022 and 2021, there were no significant transfers into or out of Level 3.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 500,000	500,000
Building and improvements	3,165,799	3,120,105
Equipment and furniture	<u>565,531</u>	<u>532,077</u>
Total property and equipment	4,231,330	4,152,182
Less accumulated depreciation	<u>( 2,164,184)</u>	<u>( 2,069,390)</u>
Net property and equipment	<u>\$ 2,067,146</u>	<u>2,082,792</u>

**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 January 5, 2023 and bears interest at the prime rate (4.75% and 3.25% as of June 30, 2022 and 2021, respectively). No balance was owed as of June 30, 2022 and 2021 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.

**NOTE 7 - ENDOWMENT**

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 U.S. GAAP, 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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 7 - ENDOWMENT, CONTINUED**

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.

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, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments).

There were no such deficiencies at June 30, 2022 and 2021.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 7 - ENDOWMENT, CONTINUED**

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 4,449,721	-	4,449,721
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor (Note 9)	<u>-</u>	<u>6,853,517</u>	<u>6,853,517</u>
Total endowment net assets	<u>\$ 4,449,721</u>	<u>6,853,517</u>	<u>11,303,238</u>

Changes in endowment net assets for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2021	\$ 5,360,429	7,975,279	13,335,708
Net investment loss	( 747,161)	( 776,579)	( 1,523,740)
Appropriation of endowment assets for expenditures			
Management and general expenses	-	( 11,115)	( 11,115)
Contribution to Wellness House	( 164,265)	( 409,252)	( 573,517)
Contributions	<u>718</u>	<u>75,184</u>	<u>75,902</u>
Endowment net assets, June 30, 2022	<u>\$ 4,449,721</u>	<u>6,853,517</u>	<u>11,303,238</u>

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 7 - ENDOWMENT, CONTINUED**

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 5,360,429	-	5,360,429
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor (Note 9)	-	6,778,333	6,778,333
Accumulated investment gains (Note 9)	<u>-</u>	<u>1,196,946</u>	<u>1,196,946</u>
Total endowment net assets	<u>\$ 5,360,429</u>	<u>7,975,279</u>	<u>13,335,708</u>

Changes in endowment net assets for the year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2020	\$ 4,237,880	6,663,333	10,901,213
Net investment return	1,112,978	1,763,076	2,876,054
Appropriation of endowment assets for expenditures			
Management and general expenses	-	( 10,743)	( 10,743)
Contribution to Wellness House	-	( 555,387)	( 555,387)
Contributions	<u>9,571</u>	<u>115,000</u>	<u>124,571</u>
Endowment net assets, June 30, 2021	<u>\$ 5,360,429</u>	<u>7,975,279</u>	<u>13,335,708</u>

**NOTE 8 - RETIREMENT PLAN**

The Organization provides a 403(b) retirement plan (Plan) for eligible full-time employees who meet certain age and length of service requirements. During the year ended June 30, 2021, the Organization amended the Plan to have a discretionary employer match, which resulted in a reduction in employer contributions from the prior year. The Organization contributed \$23,782 and \$17,418 during the years ended June 30, 2022 and 2021, respectively, which is included with employee benefits on the consolidated statements of functional expenses.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30, 2022 and 2021:

	2022	2021
Offsite programming	\$ 85,000	10,000
Exercise and nutrition programming	22,100	25,850
Stress management programming	5,100	5,100
Wellness Beyond Walls	1,000	12,215
Information and education	6,800	6,800
Perpetual restrictions (Note 7)	6,853,517	6,778,333
Investment gains available for future expenditures (Note 7)	-	1,196,946
	\$ 6,973,517	8,035,244

**NOTE 10 - OPERATING LEASES**

The Organization is obligated under operating leases, primarily for building space and office equipment which provide for monthly installments ranging from \$234 to \$2,200 over the terms of the leases and expire on various dates from June 2023 to December 2025.

Total rent expense under all operating leases amounted to approximately \$40,000 for the years ended June 30, 2022 and 2021.

The aggregate future minimum lease commitment on these leases as of June 30, 2022 is as follows:

2023		\$ 13,427
2024		2,807
2025		1,403

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 11 - 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. The costs of conducting this event for the years ended June 30, 2022 and 2021 included a total of \$85,557 and \$67,908, respectively, of joint costs that are not directly attributable to program, management and general, or fundraising components of the activities. These joint costs were allocated as follows:

	<u>2022</u>	<u>2021</u>
Child and family programs	\$ 1,939	1,534
Information and education	9,235	6,320
Exercise and nutrition	5,218	4,284
Stress management	2,940	1,722
Support groups and counseling	5,240	4,138
Offsite programming	3,662	3,421
Development	<u>86,754</u>	<u>46,489</u>
Total	<u>\$ 114,988</u>	<u>67,908</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. The joint costs were allocated as follows:

	<u>2022</u>	<u>2021</u>
Child and family programs	\$ 1,811	1,721
Information and education	8,632	7,089
Exercise and nutrition	4,877	4,805
Stress management	2,747	1,932
Support groups and counseling	4,896	4,642
Offsite programming	3,422	3,837
Development	<u>79,166</u>	<u>72,212</u>
Total	<u>\$ 105,551</u>	<u>96,238</u>

**NOTE 12 - RELATED PARTY TRANSACTIONS**

A member of the Board for Wellness House 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 \$10,567,061 and \$12,194,295 for the years ended June 30, 2022 and 2021, respectively.



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 13 - SPECIAL EVENTS, NET**

Net revenue from special events for the years ended June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>		
	<u>Walk for Wellness House</u>	<u>Ball Gala</u>	<u>Total</u>
Revenue	\$ 628,413	857,964	1,486,377
Less costs of direct benefit to donors	<u>( 29,431)</u>	<u>( 111,778)</u>	<u>( 141,209)</u>
Net revenue from special events	<u>\$ 598,982</u>	<u>746,186</u>	<u>1,345,168</u>
	<u>2021</u>		
	<u>Walk for Wellness House</u>	<u>Ball Gala</u>	<u>Total</u>
Revenue	\$ 547,623	450,566	998,189
Less costs of direct benefit to donors	<u>( 23,923)</u>	<u>( 10,440)</u>	<u>( 34,363)</u>
Net revenue from special events	<u>\$ 523,700</u>	<u>440,126</u>	<u>963,826</u>

**NOTE 14 - 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 15 - 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 of America and the world. As a result, Wellness House quickly shifted to an online program delivery model to protect the health of the vulnerable population it serves. While challenging in many ways, this shift has also presented important opportunities. Online programming has expanded the reach of Wellness House programs and made it possible for many who were unable to attend in-person to now access online psychosocial support. The Organization has started to provide in-person services on a limited basis as conditions allow. The long-term plan is to provide services both online and in-person in alignment with the needs of participants.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 16 - CONTINGENCY**

The \$425,407 PPP loan and its forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loan is forgiven, which was November 2020. The Organization is not currently under examination nor has the Organization been contacted.

**NOTE 17 - RECLASSIFICATIONS**

Certain amounts in the June 30, 2021 financial statements have been reclassified to conform to the June 30, 2022 presentation.

**SUPPLEMENTARY INFORMATION**

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022**

	<u>ASSETS</u>			
	<u>WELLNESS HOUSE</u>	<u>WELLNESS HOUSE FOUNDATION, INC.</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,889,803	-	-	1,889,803
Contributions receivable	67,500	-	-	67,500
Prepaid expenses	<u>105,979</u>	<u>1,466</u>	-	<u>107,445</u>
Total current assets	<u>2,063,282</u>	<u>1,466</u>	-	<u>2,064,748</u>
<b>Other assets:</b>				
Property and equipment, net	2,067,146	-	-	2,067,146
Cash and cash equivalents, endowment	-	736,337	-	736,337
Investments	<u>-</u>	<u>10,567,061</u>	-	<u>10,567,061</u>
Total other assets	<u>2,067,146</u>	<u>11,303,398</u>	-	<u>13,370,544</u>
Total assets	<u>\$ 4,130,428</u>	<u>11,304,864</u>	-	<u>15,435,292</u>

	<u>LIABILITIES AND NET ASSETS</u>			
	<u>WELLNESS HOUSE</u>	<u>WELLNESS HOUSE FOUNDATION, INC.</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>Liabilities:</b>				
Accounts payable	\$ 58,541	1,626	-	60,167
Accrued expenses	<u>141,028</u>	-	-	<u>141,028</u>
Total liabilities	<u>199,569</u>	<u>1,626</u>	-	<u>201,195</u>
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	1,743,713	-	-	1,743,713
Undesignated equity in property and equipment	2,067,146	-	-	2,067,146
Board-designated for endowment	<u>-</u>	<u>4,449,721</u>	-	<u>4,449,721</u>
Total without donor restrictions	<u>3,810,859</u>	<u>4,449,721</u>	-	<u>8,260,580</u>
With donor restrictions:				
Time and purpose restrictions	120,000	-	-	120,000
Perpetual restrictions	<u>-</u>	<u>6,853,517</u>	-	<u>6,853,517</u>
Total with donor restrictions	<u>120,000</u>	<u>6,853,517</u>	-	<u>6,973,517</u>
Total net assets	<u>3,930,859</u>	<u>11,303,238</u>	-	<u>15,234,097</u>
Total liabilities and net assets	<u>\$ 4,130,428</u>	<u>11,304,864</u>	-	<u>15,435,292</u>

See Independent Auditor's Report.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

	<u>ASSETS</u>			
	<u>WELLNESS HOUSE</u>	<u>WELLNESS HOUSE FOUNDATION, INC.</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,862,731	-	-	1,862,731
Contributions receivable	23,250	38,760	(45,135)	16,875
Prepaid expenses	49,773	159	-	49,932
	<u>1,935,754</u>	<u>38,919</u>	<u>(45,135)</u>	<u>1,929,538</u>
<b>Total current assets</b>				
<b>Other assets:</b>				
Property and equipment, net	2,082,792	-	-	2,082,792
Cash and cash equivalents, endowment	-	1,108,872	-	1,108,872
Investments	3	12,194,292	-	12,194,295
	<u>2,082,795</u>	<u>13,303,164</u>	<u>-</u>	<u>15,385,959</u>
<b>Total other assets</b>				
	<u>4,018,549</u>	<u>13,342,083</u>	<u>(45,135)</u>	<u>17,315,497</u>
<b>Total assets</b>				

	<u>LIABILITIES AND NET ASSETS</u>			
	<u>WELLNESS HOUSE</u>	<u>WELLNESS HOUSE FOUNDATION, INC.</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>Liabilities:</b>				
Accounts payable	\$ 83,923	6,375	(45,135)	45,163
Accrued expenses	93,767	-	-	93,767
Refundable advances	47,600	-	-	47,600
	<u>225,290</u>	<u>6,375</u>	<u>(45,135)</u>	<u>186,530</u>
<b>Total liabilities</b>				
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	1,650,502	-	-	1,650,502
Undesignated equity in property and equipment	2,082,792	-	-	2,082,792
Board-designated for endowment	-	5,360,429	-	5,360,429
	<u>3,733,294</u>	<u>5,360,429</u>	<u>-</u>	<u>9,093,723</u>
<b>Total without donor restrictions</b>				
With donor restrictions:				
Time and purpose restrictions	59,965	1,196,946	-	1,256,911
Perpetual restrictions	-	6,778,333	-	6,778,333
	<u>59,965</u>	<u>7,975,279</u>	<u>-</u>	<u>8,035,244</u>
<b>Total with donor restrictions</b>				
	<u>3,793,259</u>	<u>13,335,708</u>	<u>-</u>	<u>17,128,967</u>
<b>Total net assets</b>				
	<u>\$ 4,018,549</u>	<u>13,342,083</u>	<u>(45,135)</u>	<u>17,315,497</u>
<b>Total liabilities and net assets</b>				

See Independent Auditor's Report.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

	WELLNESS HOUSE					WELLNESS HOUSE FOUNDATION, INC.					ELIMINATIONS	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL		
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS			TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS			
<b>Support and revenue:</b>												
Contributions	\$ 1,825,721	1,000	-	1,000	1,826,721	718	-	75,184	75,184	75,902	(573,517)	1,329,106
Special events, net	1,345,168	-	-	-	1,345,168	-	-	-	-	-	-	1,345,168
Grants	173,154	323,096	-	323,096	496,250	-	-	-	-	-	-	496,250
In-kind contributions	95,265	-	-	-	95,265	100,612	-	-	-	100,612	(100,612)	95,265
Net investment return	199	-	-	-	199	(747,161)	(776,579)	-	(776,579)	(1,523,740)	-	(1,523,541)
Miscellaneous revenue	9,037	-	-	-	9,037	-	-	-	-	-	-	9,037
Total support and revenue before releases	3,448,544	324,096	-	324,096	3,772,640	(645,831)	(776,579)	75,184	(701,395)	(1,347,226)	(674,129)	1,751,285
Net assets released from restrictions	264,061	(264,061)	-	(264,061)	-	420,367	(420,367)	-	(420,367)	-	-	-
Total support and revenue	3,712,605	60,035	-	60,035	3,772,640	(225,464)	(1,196,946)	75,184	(1,121,762)	(1,347,226)	(674,129)	1,751,285
<b>Expenses:</b>												
Program services	2,632,381	-	-	-	2,632,381	573,517	-	-	-	573,517	(674,129)	2,531,769
Supporting services:												
Administrative	336,743	-	-	-	336,743	25,250	-	-	-	25,250	-	361,993
Development	665,916	-	-	-	665,916	86,477	-	-	-	86,477	-	752,393
Total supporting services	1,002,659	-	-	-	1,002,659	111,727	-	-	-	111,727	-	1,114,386
Total expenses	3,635,040	-	-	-	3,635,040	685,244	-	-	-	685,244	(674,129)	3,646,155
Change in net assets	77,565	60,035	-	60,035	137,600	(910,708)	(1,196,946)	75,184	(1,121,762)	(2,032,470)	-	(1,894,870)
Net assets, beginning of year	3,733,294	59,965	-	59,965	3,793,259	5,360,429	1,196,946	6,778,333	7,975,279	13,335,708	-	17,128,967
Net assets, end of year	\$ 3,810,859	120,000	-	120,000	3,930,859	4,449,721	-	6,853,517	6,853,517	11,303,238	-	15,234,097

See Independent Auditor's Report.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	WELLNESS HOUSE					WELLNESS HOUSE FOUNDATION, INC.					ELIMINATIONS	TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL		
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS			TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS			
<b>Support and revenue:</b>												
Contributions	\$ 1,933,568	10,527	-	10,527	1,944,095	9,571	-	115,000	115,000	124,571	(555,387)	1,513,279
Special events, net	963,826	-	-	-	963,826	-	-	-	-	-	-	963,826
Grants	130,302	253,293	-	253,293	383,595	-	-	-	-	-	-	383,595
In-kind contributions	86,991	-	-	-	86,991	94,615	-	-	-	94,615	(94,615)	86,991
Net investment return	1,682	-	-	-	1,682	1,112,978	1,763,076	-	1,763,076	2,876,054	-	2,877,736
Miscellaneous revenue	9,286	-	-	-	9,286	-	-	-	-	-	-	9,286
Total support and revenue before releases	3,125,655	263,820	-	263,820	3,389,475	1,217,164	1,763,076	115,000	1,878,076	3,095,240	(650,002)	5,834,713
Net assets released from restrictions	303,955	(303,955)	-	(303,955)	-	566,130	(566,130)	-	(566,130)	-	-	-
Total support and revenue	3,429,610	(40,135)	-	(40,135)	3,389,475	1,783,294	1,196,946	115,000	1,311,946	3,095,240	(650,002)	5,834,713
<b>Expenses:</b>												
Program services	2,296,157	-	-	-	2,296,157	555,387	-	-	-	555,387	(650,002)	2,201,542
Supporting services:												
Administrative	331,269	-	-	-	331,269	24,353	-	-	-	24,353	-	355,622
Development	548,493	-	-	-	548,493	81,005	-	-	-	81,005	-	629,498
Total supporting services	879,762	-	-	-	879,762	105,358	-	-	-	105,358	-	985,120
Total expenses	3,175,919	-	-	-	3,175,919	660,745	-	-	-	660,745	(650,002)	3,186,662
Change in net assets	253,691	(40,135)	-	(40,135)	213,556	1,122,549	1,196,946	115,000	1,311,946	2,434,495	-	2,648,051
Net assets, beginning of year	3,479,603	100,100	-	100,100	3,579,703	4,237,880	-	6,663,333	6,663,333	10,901,213	-	14,480,916
Net assets, end of year	\$ 3,733,294	59,965	-	59,965	3,793,259	5,360,429	1,196,946	6,778,333	7,975,279	13,335,708	-	17,128,967

See Independent Auditor's Report.

**WELLNESS HOUSE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ 189,627	155,410	374,965	94,232	290,853	266,493	1,371,580	239,446	254,287	493,733	1,865,313
Employee benefits	28,493	16,216	46,099	12,741	40,076	29,188	172,813	23,627	23,815	47,442	220,255
Payroll taxes	14,170	11,677	27,583	6,875	21,903	20,432	102,640	17,826	18,704	36,530	139,170
<b>Total salaries and related expenses</b>	<b>232,290</b>	<b>183,303</b>	<b>448,647</b>	<b>113,848</b>	<b>352,832</b>	<b>316,113</b>	<b>1,647,033</b>	<b>280,899</b>	<b>296,806</b>	<b>577,705</b>	<b>2,224,738</b>
Contributions to Wellness House Foundation, Inc.	2,458	10,712	48,903	8,290	20,341	9,908	100,612	-	-	-	100,612
Computer and phone	11,185	7,117	18,247	5,093	15,842	13,102	70,586	9,204	16,244	25,448	96,034
Dues and subscriptions	1,410	827	3,498	649	2,027	1,463	9,874	1,164	2,275	3,439	13,313
Insurance	1,627	2,419	9,802	1,868	4,980	2,841	23,537	1,232	1,737	2,969	26,506
Miscellaneous	1,181	759	1,697	522	1,490	1,083	6,732	2,564	12,201	14,765	21,497
Occupancy costs	2,125	9,499	41,746	7,113	17,440	8,506	86,429	2,243	5,663	7,906	94,335
Office supplies	464	552	824	278	739	582	3,439	331	3,363	3,694	7,133
Postage	1,775	5,549	3,830	1,823	3,619	5,288	21,884	510	5,223	5,733	27,617
Printing	3,931	13,152	9,142	4,532	8,864	22,037	61,658	5,502	15,345	20,847	82,505
Professional fees	9,415	12,858	17,145	6,118	15,542	11,190	72,268	24,787	62,856	87,643	159,911
Program costs	13,765	72,930	48,174	51,495	3,456	43,598	233,418	-	30,137	30,137	263,555
Publicity	6,026	29,135	16,160	9,085	16,162	19,049	95,617	-	5,858	5,858	101,475
Rent	453	2,159	1,220	687	1,225	856	6,600	-	19,800	19,800	26,400
Repairs and maintenance	237	1,057	4,680	796	1,952	952	9,674	251	561	812	10,486
Fundraising events	1,939	9,235	5,218	2,940	5,240	3,662	28,234	-	174,530	174,530	202,764
Special events	70	40	113	31	98	71	423	57	142,744	142,801	143,224
Staff activities	4,231	2,439	7,372	1,912	5,972	4,242	26,168	3,265	4,992	8,257	34,425
Utilities	309	1,376	6,262	1,054	2,597	1,260	12,858	339	338	677	13,535
<b>Total expenses before depreciation</b>	<b>294,891</b>	<b>365,118</b>	<b>692,680</b>	<b>218,134</b>	<b>480,418</b>	<b>465,803</b>	<b>2,517,044</b>	<b>332,348</b>	<b>800,673</b>	<b>1,133,021</b>	<b>3,650,065</b>
Depreciation	4,537	12,267	53,310	9,364	23,663	12,196	115,337	4,395	6,452	10,847	126,184
<b>Total expenses</b>	<b>\$ 299,428</b>	<b>377,385</b>	<b>745,990</b>	<b>227,498</b>	<b>504,081</b>	<b>477,999</b>	<b>2,632,381</b>	<b>336,743</b>	<b>807,125</b>	<b>1,143,868</b>	<b>3,776,249</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(141,209)	(141,209)	(141,209)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 299,428</b>	<b>377,385</b>	<b>745,990</b>	<b>227,498</b>	<b>504,081</b>	<b>477,999</b>	<b>2,632,381</b>	<b>336,743</b>	<b>665,916</b>	<b>1,002,659</b>	<b>3,635,040</b>

See Independent Auditor's Report



**WELLNESS HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ 189,973	138,009	324,892	101,349	304,664	227,653	1,286,540	255,618	236,509	492,127	1,778,667
Employee benefits	31,171	14,591	36,919	12,822	40,898	33,382	169,783	19,896	20,676	40,572	210,355
Payroll taxes	13,716	10,265	23,581	7,346	22,639	16,569	94,116	18,829	16,981	35,810	129,926
<b>Total salaries and related expenses</b>	<b>234,860</b>	<b>162,865</b>	<b>385,392</b>	<b>121,517</b>	<b>368,201</b>	<b>277,604</b>	<b>1,550,439</b>	<b>294,343</b>	<b>274,166</b>	<b>568,509</b>	<b>2,118,948</b>
Contributions to Wellness House Foundation, Inc.	3,126	8,653	52,083	6,934	15,327	8,492	94,615	-	-	-	94,615
Computer and phone	12,423	6,448	15,053	5,204	16,482	14,309	69,919	7,845	14,893	22,738	92,657
Dues and subscriptions	1,533	717	1,830	630	2,011	1,641	8,362	978	1,544	2,522	10,884
Insurance	2,437	1,827	8,400	1,714	4,625	3,026	22,029	1,495	2,229	3,724	25,753
Miscellaneous	1,076	588	1,311	459	1,443	1,179	6,056	5,570	10,795	16,365	22,421
Occupancy costs	2,505	5,164	33,039	4,946	11,142	5,027	61,823	1,600	4,645	6,245	68,068
Office supplies	392	411	550	206	601	492	2,652	211	2,674	2,885	5,537
Postage	1,574	3,257	2,702	1,045	2,706	2,583	13,867	452	4,371	4,823	18,690
Printing	3,656	8,362	7,250	2,786	7,305	8,993	38,352	3,483	16,438	19,921	58,273
Professional fees	360	2,353	1,333	549	1,253	1,039	6,887	9,871	45,455	55,326	62,213
Program costs	7,368	57,910	49,068	42,269	1,837	30,649	189,101	-	26,738	26,738	215,839
Publicity	4,060	16,637	11,279	4,512	10,885	10,373	57,746	-	3,040	3,040	60,786
Rent	473	1,947	1,320	531	1,275	1,054	6,600	-	19,800	19,800	26,400
Repairs and maintenance	409	835	5,442	812	1,828	820	10,146	264	590	854	11,000
Fundraising events	1,534	6,320	4,284	1,722	4,138	3,421	21,419	-	110,465	110,465	131,884
Special events	44	20	52	18	57	47	238	28	37,170	37,198	37,436
Staff activities	1,624	833	2,381	651	2,576	1,986	10,051	945	1,731	2,676	12,727
Utilities	383	766	5,173	766	1,724	766	9,578	252	252	504	10,082
<b>Total expenses before depreciation</b>	<b>279,837</b>	<b>285,913</b>	<b>587,942</b>	<b>197,271</b>	<b>455,416</b>	<b>373,501</b>	<b>2,179,880</b>	<b>327,337</b>	<b>576,996</b>	<b>904,333</b>	<b>3,084,213</b>
Depreciation	6,057	9,451	59,517	9,259	21,526	10,467	116,277	3,932	5,860	9,792	126,069
<b>Total expenses</b>	<b>\$ 285,894</b>	<b>295,364</b>	<b>647,459</b>	<b>206,530</b>	<b>476,942</b>	<b>383,968</b>	<b>2,296,157</b>	<b>331,269</b>	<b>582,856</b>	<b>914,125</b>	<b>3,210,282</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(34,363)	(34,363)	(34,363)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 285,894</b>	<b>295,364</b>	<b>647,459</b>	<b>206,530</b>	<b>476,942</b>	<b>383,968</b>	<b>2,296,157</b>	<b>331,269</b>	<b>548,493</b>	<b>879,762</b>	<b>3,175,919</b>

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**WELLNESS HOUSE FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ -	-	-	-	-	-	-	11,643	71,233	82,876	82,876
Employee benefits	-	-	-	-	-	-	-	1,601	9,795	11,396	11,396
Payroll taxes	-	-	-	-	-	-	-	891	5,449	6,340	6,340
Total salaries and related expenses	-	-	-	-	-	-	-	14,135	86,477	100,612	100,612
Contributions to Wellness House	18,945	52,456	315,702	42,030	92,905	51,479	573,517	-	-	-	573,517
Insurance	-	-	-	-	-	-	-	1,944	-	1,944	1,944
Miscellaneous	-	-	-	-	-	-	-	26	-	26	26
Professional fees	-	-	-	-	-	-	-	9,145	-	9,145	9,145
Total expenses	\$ 18,945	52,456	315,702	42,030	92,905	51,479	573,517	25,250	86,477	111,727	685,244

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**WELLNESS HOUSE FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING		ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:											
Salaries	\$ -	-	-	-	-	-	-	11,211	66,726	77,937	77,937
Employee benefits	-	-	-	-	-	-	-	1,542	9,174	10,716	10,716
Payroll taxes	-	-	-	-	-	-	-	857	5,105	5,962	5,962
Total salaries and related expenses	-	-	-	-	-	-	-	13,610	81,005	94,615	94,615
Contributions to Wellness House	18,347	50,798	305,722	40,701	89,968	49,851	555,387	-	-	-	555,387
Insurance	-	-	-	-	-	-	-	1,614	-	1,614	1,614
Miscellaneous	-	-	-	-	-	-	-	25	-	25	25
Professional fees	-	-	-	-	-	-	-	9,104	-	9,104	9,104
Total expenses	\$ 18,347	50,798	305,722	40,701	89,968	49,851	555,387	24,353	81,005	105,358	660,745

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