

Assurance

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2023 AND 2022**

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

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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 not-for-profit organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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, 2023 and 2022, 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.

*PKF Mueller*

Elgin, Illinois  
October 19, 2023

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,268,796	1,889,803
Contributions receivable	17,250	67,500
Prepaid expenses	<u>88,339</u>	<u>107,445</u>
Total current assets	<u>2,374,385</u>	<u>2,064,748</u>
<b>Other assets:</b>		
Property and equipment, net	1,970,578	2,067,146
Cash and cash equivalents, endowment	769,143	736,337
Investments	<u>10,947,969</u>	<u>10,567,061</u>
Total other assets	<u>13,687,690</u>	<u>13,370,544</u>
Total assets	<u>\$ 16,062,075</u>	<u>15,435,292</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>		
Accounts payable	\$ 73,753	60,167
Accrued expenses	<u>192,642</u>	<u>141,028</u>
Total liabilities	<u>266,395</u>	<u>201,195</u>
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	2,047,524	1,743,713
Undesignated equity in property and equipment	1,970,578	2,067,146
Board-designated for endowment	<u>4,819,061</u>	<u>4,449,721</u>
Total without donor restrictions	<u>8,837,163</u>	<u>8,260,580</u>
With donor restrictions:		
Time and purpose restrictions	49,000	120,000
Perpetual restrictions	<u>6,909,517</u>	<u>6,853,517</u>
Total with donor restrictions	<u>6,958,517</u>	<u>6,973,517</u>
Total net assets	<u>15,795,680</u>	<u>15,234,097</u>
Total liabilities and net assets	<u>\$ 16,062,075</u>	<u>15,435,292</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, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL
		TIME AND PURPOSE RESTRICTIONS	PERPETUAL RESTRICTIONS	TOTAL WITH DONOR RESTRICTIONS	
<b>Support and revenue:</b>					
Contributions	\$ 1,279,623	-	56,000	56,000	1,335,623
Special events, net	1,474,303	-	-	-	1,474,303
Grants	140,450	244,744	-	244,744	385,194
In-kind contributions	106,567	-	-	-	106,567
Net investment return	400,546	594,743	-	594,743	995,289
Miscellaneous revenue	8,338	-	-	-	8,338
Total support and revenue before releases	3,409,827	839,487	56,000	895,487	4,305,314
Net assets released from restrictions	910,487	(910,487)	-	(910,487)	-
Total support and revenue	4,320,314	(71,000)	56,000	(15,000)	4,305,314
<b>Expenses:</b>					
Program services	2,614,673	-	-	-	2,614,673
Supporting services:					
Administrative	379,605	-	-	-	379,605
Development	749,453	-	-	-	749,453
Total supporting services	1,129,058	-	-	-	1,129,058
Total expenses	3,743,731	-	-	-	3,743,731
Change in net assets	576,583	(71,000)	56,000	(15,000)	561,583
Net assets, beginning of year	8,260,580	120,000	6,853,517	6,973,517	15,234,097
Net assets, end of year	\$ 8,837,163	49,000	6,909,517	6,958,517	15,795,680

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	2,813,012	(1,136,911)	75,184	(1,061,727)	1,751,285
<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	3,646,155	-	-	-	3,646,155
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	\$ 8,260,580	120,000	6,853,517	6,973,517	15,234,097

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, 2023**

	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	\$ 159,309	254,111	417,269	83,372	314,221	181,071	1,409,353	250,182	319,384	569,566	1,978,919
Employee benefits	32,493	18,840	51,606	15,291	52,154	33,039	203,423	27,106	42,522	69,628	273,051
Payroll taxes	12,037	18,803	31,373	6,217	23,834	13,618	105,882	18,483	22,913	41,396	147,278
<b>Total salaries and related expenses</b>	<b>203,839</b>	<b>291,754</b>	<b>500,248</b>	<b>104,880</b>	<b>390,209</b>	<b>227,728</b>	<b>1,718,658</b>	<b>295,771</b>	<b>384,819</b>	<b>680,590</b>	<b>2,399,248</b>
Computer and phone	13,132	8,215	21,053	6,283	21,225	14,276	84,184	10,171	21,813	31,984	116,168
Dues and subscriptions	227	131	360	107	364	230	1,419	177	559	736	2,155
Insurance	3,453	2,002	5,484	1,625	5,542	3,511	21,617	4,324	4,701	9,025	30,642
Miscellaneous	942	617	1,510	457	1,530	975	6,031	13,329	7,639	20,968	26,999
Occupancy costs	4,918	8,954	23,166	4,902	13,880	7,492	63,312	3,542	28,836	32,378	95,690
Office supplies and equipment	1,571	1,255	2,806	799	2,606	1,676	10,713	1,175	5,204	6,379	17,092
Postage	1,759	6,700	4,664	2,135	4,222	6,528	26,008	510	3,857	4,367	30,375
Printing	3,054	11,089	7,915	3,054	7,198	5,221	37,531	2,174	16,597	18,771	56,302
Professional fees	5,872	17,849	12,687	4,841	12,383	8,709	62,341	41,441	77,468	118,909	181,250
Program costs	27,197	95,848	55,308	49,062	5,823	32,642	265,880	-	33,200	33,200	299,080
Publicity	6,517	37,733	21,310	8,868	18,698	15,068	108,194	-	6,668	6,668	114,862
Repairs and maintenance	1,002	4,028	15,062	2,458	6,523	2,797	31,870	827	2,166	2,993	34,863
Fundraising events	1,477	8,463	4,837	2,008	4,246	3,258	24,289	-	144,748	144,748	169,037
Special events	109	63	173	51	175	111	682	85	185,035	185,120	185,802
Staff activities	1,681	1,075	3,959	791	3,631	1,709	12,846	1,314	2,388	3,702	16,548
Utilities	1,808	1,048	2,871	850	2,902	1,838	11,317	1,413	2,461	3,874	15,191
<b>Total expenses before depreciation</b>	<b>278,558</b>	<b>496,824</b>	<b>683,413</b>	<b>193,171</b>	<b>501,157</b>	<b>333,769</b>	<b>2,486,892</b>	<b>376,253</b>	<b>928,159</b>	<b>1,304,412</b>	<b>3,791,304</b>
Depreciation	3,975	15,818	60,819	9,844	26,186	11,139	127,781	3,352	4,612	7,964	135,745
<b>Total expenses</b>	<b>\$ 282,533</b>	<b>512,642</b>	<b>744,232</b>	<b>203,015</b>	<b>527,343</b>	<b>344,908</b>	<b>2,614,673</b>	<b>379,605</b>	<b>932,771</b>	<b>1,312,376</b>	<b>3,927,049</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(183,318)	(183,318)	(183,318)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 282,533</b>	<b>512,642</b>	<b>744,232</b>	<b>203,015</b>	<b>527,343</b>	<b>344,908</b>	<b>2,614,673</b>	<b>379,605</b>	<b>749,453</b>	<b>1,129,058</b>	<b>3,743,731</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, 2022**

	PROGRAM SERVICES						SUPPORTING SERVICES			TOTAL EXPENSES	
	CHILD AND FAMILY PROGRAMS	INFORMATION AND EDUCATION	EXERCISE AND NUTRITION	STRESS MANAGEMENT	SUPPORT GROUPS AND COUNSELING	OFFSITE PROGRAMMING	TOTAL PROGRAM SERVICES	ADMINISTRATIVE	DEVELOPMENT		TOTAL SUPPORTING SERVICES
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	279	184	570	144	437	305	1,919	227	878	1,105	3,024
Insurance	1,627	2,419	9,802	1,868	4,980	2,841	23,537	3,176	1,737	4,913	28,450
Miscellaneous	1,182	759	1,697	522	1,490	1,083	6,733	2,589	12,201	14,790	21,523
Occupancy costs	2,029	9,212	31,834	5,925	14,047	7,122	70,169	1,642	24,862	26,504	96,673
Office supplies and equipment	1,594	1,195	3,752	784	2,329	1,740	11,394	1,268	4,760	6,028	17,422
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
Repairs and maintenance	786	3,503	15,812	2,670	6,570	3,192	32,533	853	1,162	2,015	34,548
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 STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>Cash provided (used) by operating activities:</b>		
Change in net assets	\$ 561,583	(1,894,870)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	135,745	126,184
Net realized and unrealized (gains) losses on investments	(782,212)	1,670,165
Contributions of investments	(35,270)	(72,307)
Contributions restricted for long-term purposes - endowment	(56,000)	(75,184)
Changes in:		
Contributions receivable	50,250	(50,625)
Prepaid expenses	19,106	(57,513)
Accounts payable	13,586	15,004
Accrued expenses	51,614	47,261
Refundable advances	-	(47,600)
	<u>(41,598)</u>	<u>(339,485)</u>
Net cash used by operating activities		
<b>Cash provided (used) by investing activities:</b>		
Proceeds from sales of investments	2,327,330	2,084,436
Purchases of investments	(1,890,756)	(2,055,060)
Purchases of property and equipment	(39,177)	(110,538)
	<u>397,397</u>	<u>(81,162)</u>
Net cash provided (used) by investing activities		
<b>Cash provided by financing activities:</b>		
Contributions restricted for long-term purposes - endowment	56,000	75,184
	<u>56,000</u>	<u>75,184</u>
Net increase (decrease) in cash and cash equivalents	411,799	(345,463)
Cash and cash equivalents, beginning of year	2,626,140	2,971,603
	<u>2,626,140</u>	<u>2,971,603</u>
Cash and cash equivalents, end of year	<u>\$ 3,037,939</u>	<u>2,626,140</u>
<b>Summary of cash accounts:</b>		
Cash and cash equivalents	\$ 2,268,796	1,889,803
Cash and cash equivalents, endowment	769,143	736,337
	<u>769,143</u>	<u>736,337</u>
Cash and cash equivalents, end of year	<u>\$ 3,037,939</u>	<u>2,626,140</u>
<b>Noncash investing transactions:</b>		
Contributions of investments	\$ 35,270	72,307
	<u>35,270</u>	<u>72,307</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, 2023 AND 2022**

**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 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 an average of 3,350 people annually who make approximately 38,000 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 (U.S. GAAP) as applicable to not-for-profit organizations.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**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.

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 the federal limits. At times the Organization's cash deposits may be 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.

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, 2023 and 2022, 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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

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

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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

Support and Revenue Recognition, Continued

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, 2023 and 2022, there were no contributions that have not been recognized in the consolidated statements of activities because the conditions on which they depend have not yet been met.

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'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.

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.

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.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

Income Taxes, Continued

Both Wellness House and Wellness House Foundation, Inc. have evaluated the tax positions taken for all open tax years. Currently, the returns for the prior three fiscal 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, 2023 and 2022.

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.

New Accounting Standard – Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021.

The Organization elected to adopt this ASU effective July 1, 2022. The Organization did not have arrangements that would fall under the criteria defined by ASU No. 2016-02 for the year ended June 30, 2023.

Subsequent Events

Subsequent events have been evaluated through October 19, 2023, the date that the financial statements were available to be issued.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**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 statements of financial position, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,268,796	1,889,803
Cash and cash equivalents, endowment	769,143	736,337
Contributions receivable	17,250	67,500
Investments	<u>10,947,969</u>	<u>10,567,061</u>
Total financial assets	<u>14,003,158</u>	<u>13,260,701</u>
Less: amounts not available for general expenditures within one year, due to:		
Board-designated endowment	4,819,061	4,449,721
Donor-restricted for a specific purpose	49,000	120,000
Perpetual restrictions	<u>6,909,517</u>	<u>6,853,517</u>
Total amounts not available for general expenditures within one year	<u>11,777,578</u>	<u>11,423,238</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,225,580</u>	<u>1,837,463</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, 2023 and 2022, donor-restricted endowment funds were not available for general expenditure.

The Organization's board-designated endowment of \$4,819,061 and \$4,449,721 at June 30, 2023 and 2022, 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).



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 4 - FAIR VALUE MEASUREMENTS**

U.S. GAAP 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 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:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- 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, 2023 and 2022.

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

Corporate bonds and government securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Private equity: Valued at the estimated fair value as provided by the investment manager.

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

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, 2023 and 2022:

<b>Assets at Fair Value as of June 30, 2023</b>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds:				
Bonds	\$ 866,797	-	-	866,797
Equities	6,885,352	-	-	6,885,352
Common stocks	549,153	-	-	549,153
Corporate bonds	-	1,129,599	-	1,129,599
Government securities	-	1,417,371	-	1,417,371
Private equity	-	-	99,697	99,697
	<u>\$ 8,301,302</u>	<u>2,546,970</u>	<u>99,697</u>	<u>10,947,969</u>
Total assets fair value				

<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 funds:				
Bonds	\$ 1,226,237	-	-	1,226,237
Equities	6,325,539	-	-	6,325,539
Common stock	645,570	-	-	645,570
Corporate bonds	-	1,031,964	-	1,031,964
Government securities	-	1,337,751	-	1,337,751
	<u>\$ 8,197,346</u>	<u>2,369,715</u>	<u>-</u>	<u>10,567,061</u>
Total assets at fair value				

For the years ended June 30, 2023 and 2022, there were no significant transfers into or out of Level 3.

Fair value measurements using significant unobservable inputs (Level 3):

	<u>Private equity</u>
Opening balance - July 1, 2022	\$ -
Purchases	75,000
Total gains for the period included in change in net assets	<u>24,697</u>
Closing balance - June 30, 2023	<u>\$ 99,697</u>

**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, 2023 and 2022 consisted of the following:

	2023	2022
Land	\$ 500,000	500,000
Building and improvements	3,165,799	3,165,799
Equipment and furniture	568,254	565,531
Total property and equipment	4,234,053	4,231,330
Less accumulated depreciation	( 2,263,475)	( 2,164,184)
 Property and equipment, net	 \$ 1,970,578	 2,067,146

**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, 2024 and bears interest at the prime rate (8.25% and 4.75% as of June 30, 2023 and 2022). No balance was owed as of June 30, 2023 and 2022. The Organization intends to renew the line of credit upon expiration 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, 2023 AND 2022**

**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, 2023 and 2022.

**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, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 4,819,061	-	4,819,061
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>6,909,517</u>	<u>6,909,517</u>
Total endowment net assets	<u>\$ 4,819,061</u>	<u>6,909,517</u>	<u>11,728,578</u>

Changes in endowment net assets for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2022	\$ 4,449,721	6,853,517	11,303,238
Net investment return	384,616	594,743	979,359
Appropriation of endowment assets for expenditures			
Management and general expenses	-	( 12,487)	( 12,487)
Contribution to Wellness House	( 16,296)	( 582,256)	( 598,552)
Contributions	<u>1,020</u>	<u>56,000</u>	<u>57,020</u>
Endowment net assets, June 30, 2023	<u>\$ 4,819,061</u>	<u>6,909,517</u>	<u>11,728,578</u>

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>

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

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 return	( 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>

**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, 2023, the Organization increased the discretionary employer match, which resulted in an increase in employer contributions from the prior year. The Organization contributed \$47,277 and \$23,782 during the years ended June 30, 2023 and 2022, respectively, which is included with employee benefits on the consolidated statements of functional expenses.

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Offsite programming	\$ 15,000	85,000
Exercise and nutrition programming	22,100	22,100
Stress management programming	5,100	5,100
Wellness Beyond Walls	-	1,000
Information and education	6,800	6,800
Perpetual restrictions (Note 7)	<u>6,909,517</u>	<u>6,853,517</u>
Total net assets with donor restrictions	<u>\$ 6,958,517</u>	<u>6,973,517</u>

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 10 - IN-KIND CONTRIBUTIONS**

The Organization received the following in-kind contributions of goods and services for the years ended June 30:

	2023	2022
Legal services	\$ 7,054	-
Equipment	9,198	9,996
Professional services	86,105	85,269
Printing and graphic design	4,210	-
 Total in-kind contributions	 \$ 106,567	 95,265

The Organization was provided legal services at no cost. Based on current market rates for legal services, the Organization would have paid \$7,054 for the year ended June 30, 2023, respectively.

The Organization received equipment with an estimated fair market value of \$9,198 and \$9,996 for the years ended June 30, 2023 and 2022, respectively.

The Organization received contributed services primarily from finance, operations, exercise, and stress management professionals that benefited various programs and administration. These contributed services had a value of \$86,105 and \$85,269 for the years ended June 30, 2023 and 2022, respectively.

The Organization received items in support of events held. These items related to printing and graphic design, amounting to \$4,210 for the year ended June 30, 2023, respectively.

All in-kind contributions received by the Organization for the years ended June 30, 2023 and 2022 were considered to be without donor restrictions and are able to be used by the Organization as determined by the board of directors and management.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**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, 2023 and 2022 included 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>2023</u>	<u>2022</u>
Child and family programs	\$ 1,477	1,939
Information and education	8,463	9,235
Exercise and nutrition	4,837	5,218
Stress management	2,008	2,940
Support groups and counseling	4,246	5,240
Offsite programming	3,258	3,662
Development	<u>51,460</u>	<u>57,323</u>
 Total	 <u>\$ 75,749</u>	 <u>85,557</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>2023</u>	<u>2022</u>
Child and family programs	\$ 2,031	1,811
Information and education	11,641	8,632
Exercise and nutrition	5,223	4,877
Stress management	2,761	2,747
Support groups and counseling	5,841	4,896
Offsite programming	4,481	3,422
Development	<u>95,934</u>	<u>79,166</u>
 Total	 <u>\$ 127,912</u>	 <u>105,551</u>

**NOTE 12 - RELATED PARTY TRANSACTIONS**

The son of a member of the Board for Wellness House is the founding partner and CEO of the investment advisor. Investments under management total \$10,947,969 and \$10,567,061 for the years ended June 30, 2023 and 2022, respectively.



**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 13 - SPECIAL EVENTS, NET**

Net revenue from special events for the years ended June 30, 2023 and 2022 are summarized as follows:

	2023		
	Walk for Wellness House	Ball Gala	Total
Revenue	\$ 787,879	869,742	1,657,621
Less costs of direct benefit to donors	<u>( 39,089)</u>	<u>( 144,229)</u>	<u>( 183,318)</u>
Net revenue from special events	<u>\$ 748,790</u>	<u>725,513</u>	<u>1,474,303</u>
	2022		
	Walk for Wellness House	Ball Gala	Total
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>

**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 - 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 16 - RECLASSIFICATIONS**

Certain amounts in the June 30, 2022 financial statements have been reclassified to conform to the June 30, 2023 presentation.

**SUPPLEMENTARY INFORMATION**

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023**

	<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	\$ 2,268,796	-	-	2,268,796
Contributions receivable	17,250	10,000	(10,000)	17,250
Prepaid expenses	<u>86,873</u>	<u>1,466</u>	<u>-</u>	<u>88,339</u>
Total current assets	<u>2,372,919</u>	<u>11,466</u>	<u>(10,000)</u>	<u>2,374,385</u>
<b>Other assets:</b>				
Property and equipment, net	1,970,578	-	-	1,970,578
Cash and cash equivalents, endowment	-	769,143	-	769,143
Investments	<u>-</u>	<u>10,947,969</u>	<u>-</u>	<u>10,947,969</u>
Total other assets	<u>1,970,578</u>	<u>11,717,112</u>	<u>-</u>	<u>13,687,690</u>
Total assets	<u>\$ 4,343,497</u>	<u>11,728,578</u>	<u>(10,000)</u>	<u>16,062,075</u>

**LIABILITIES AND NET ASSETS**

	<u>WELLNESS HOUSE</u>	<u>WELLNESS HOUSE FOUNDATION, INC.</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>Liabilities:</b>				
Accounts payable	\$ 83,753	-	(10,000)	73,753
Accrued expenses	<u>192,642</u>	<u>-</u>	<u>-</u>	<u>192,642</u>
Total liabilities	<u>276,395</u>	<u>-</u>	<u>(10,000)</u>	<u>266,395</u>
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	2,047,524	-	-	2,047,524
Undesignated equity in property and equipment	1,970,578	-	-	1,970,578
Board-designated for endowment	<u>-</u>	<u>4,819,061</u>	<u>-</u>	<u>4,819,061</u>
Total without donor restrictions	<u>4,018,102</u>	<u>4,819,061</u>	<u>-</u>	<u>8,837,163</u>
With donor restrictions:				
Time and purpose restrictions	49,000	-	-	49,000
Perpetual restrictions	<u>-</u>	<u>6,909,517</u>	<u>-</u>	<u>6,909,517</u>
Total with donor restrictions	<u>49,000</u>	<u>6,909,517</u>	<u>-</u>	<u>6,958,517</u>
Total net assets	<u>4,067,102</u>	<u>11,728,578</u>	<u>-</u>	<u>15,795,680</u>
Total liabilities and net assets	<u>\$ 4,343,497</u>	<u>11,728,578</u>	<u>(10,000)</u>	<u>16,062,075</u>

See Independent Auditor's Report.

**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>-</u>	<u>-</u>	<u>141,028</u>
Total liabilities	<u>199,569</u>	<u>1,626</u>	<u>-</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>-</u>	<u>4,449,721</u>
Total without donor restrictions	<u>3,810,859</u>	<u>4,449,721</u>	<u>-</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>-</u>	<u>6,853,517</u>
Total with donor restrictions	<u>120,000</u>	<u>6,853,517</u>	<u>-</u>	<u>6,973,517</u>
Total net assets	<u>3,930,859</u>	<u>11,303,238</u>	<u>-</u>	<u>15,234,097</u>
Total liabilities and net assets	<u>\$ 4,130,428</u>	<u>11,304,864</u>	<u>-</u>	<u>15,435,292</u>

See Independent Auditor's Report.

**WELLNESS HOUSE AND WELLNESS HOUSE FOUNDATION, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

	WELLNESS HOUSE					WELLNESS HOUSE FOUNDATION, INC.						
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL	ELIMINATIONS	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	\$ 1,877,155	-	-	-	1,877,155	1,020	-	56,000	56,000	57,020	(598,552)	1,335,623
Special events, net	1,474,303	-	-	-	1,474,303	-	-	-	-	-	-	1,474,303
Grants	140,450	244,744	-	244,744	385,194	-	-	-	-	-	-	385,194
In-kind contributions	106,567	-	-	-	106,567	99,661	-	-	-	99,661	(99,661)	106,567
Net investment return	15,930	-	-	-	15,930	384,616	594,743	-	594,743	979,359	-	995,289
Miscellaneous revenue	8,338	-	-	-	8,338	-	-	-	-	-	-	8,338
Total support and revenue before releases	3,622,743	244,744	-	244,744	3,867,487	485,297	594,743	56,000	650,743	1,136,040	(698,213)	4,305,314
Net assets released from restrictions	315,744	(315,744)	-	(315,744)	-	594,743	(594,743)	-	(594,743)	-	-	-
Total support and revenue	3,938,487	(71,000)	-	(71,000)	3,867,487	1,080,040	-	56,000	56,000	1,136,040	(698,213)	4,305,314
<b>Expenses:</b>												
Program services	2,714,334	-	-	-	2,714,334	598,552	-	-	-	598,552	(698,213)	2,614,673
Supporting services:												
Administrative	352,005	-	-	-	352,005	27,600	-	-	-	27,600	-	379,605
Development	664,905	-	-	-	664,905	84,548	-	-	-	84,548	-	749,453
Total supporting services	1,016,910	-	-	-	1,016,910	112,148	-	-	-	112,148	-	1,129,058
Total expenses	3,731,244	-	-	-	3,731,244	710,700	-	-	-	710,700	(698,213)	3,743,731
Change in net assets	207,243	(71,000)	-	(71,000)	136,243	369,340	-	56,000	56,000	425,340	-	561,583
Net assets, beginning 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
Net assets, end of year	\$ 4,018,102	49,000	-	49,000	4,067,102	4,819,061	-	6,909,517	6,909,517	11,728,578	-	15,795,680

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  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

	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	\$ 159,309	254,111	417,269	83,372	314,221	181,071	1,409,353	237,734	249,739	487,473	1,896,826
Employee benefits	32,493	18,840	51,606	15,291	52,154	33,039	203,423	25,394	32,946	58,340	261,763
Payroll taxes	12,037	18,803	31,373	6,217	23,834	13,618	105,882	17,530	17,586	35,116	140,998
<b>Total salaries and related expenses</b>	<b>203,839</b>	<b>291,754</b>	<b>500,248</b>	<b>104,880</b>	<b>390,209</b>	<b>227,728</b>	<b>1,718,658</b>	<b>280,658</b>	<b>300,271</b>	<b>580,929</b>	<b>2,299,587</b>
Contributions to Wellness House Foundation, Inc.	3,120	12,249	47,462	7,715	20,462	8,653	99,661	-	-	-	99,661
Computer and phone	13,132	8,215	21,053	6,283	21,225	14,276	84,184	10,171	21,813	31,984	116,168
Dues and subscriptions	227	131	360	107	364	230	1,419	177	559	736	2,155
Insurance	3,453	2,002	5,484	1,625	5,542	3,511	21,617	2,698	4,701	7,399	29,016
Miscellaneous	942	617	1,510	457	1,530	975	6,031	12,613	7,639	20,252	26,283
Occupancy costs	4,918	8,954	23,166	4,902	13,880	7,492	63,312	3,542	28,836	32,378	95,690
Office supplies and equipment	1,571	1,255	2,806	799	2,606	1,676	10,713	1,175	5,204	6,379	17,092
Postage	1,759	6,700	4,664	2,135	4,222	6,528	26,008	510	3,857	4,367	30,375
Printing	3,054	11,089	7,915	3,054	7,198	5,221	37,531	2,174	16,597	18,771	56,302
Professional fees	5,872	17,849	12,687	4,841	12,383	8,709	62,341	31,296	77,468	108,764	171,105
Program costs	27,197	95,848	55,308	49,062	5,823	32,642	265,880	-	33,200	33,200	299,080
Publicity	6,517	37,733	21,310	8,868	18,698	15,068	108,194	-	6,668	6,668	114,862
Repairs and maintenance	1,002	4,028	15,062	2,458	6,523	2,797	31,870	827	2,166	2,993	34,863
Fundraising events	1,477	8,463	4,837	2,008	4,246	3,258	24,289	-	144,748	144,748	169,037
Special events	109	63	173	51	175	111	682	85	185,035	185,120	185,802
Staff activities	1,681	1,075	3,959	791	3,631	1,709	12,846	1,314	2,388	3,702	16,548
Utilities	1,808	1,048	2,871	850	2,902	1,838	11,317	1,413	2,461	3,874	15,191
<b>Total expenses before depreciation</b>	<b>281,678</b>	<b>509,073</b>	<b>730,875</b>	<b>200,886</b>	<b>521,619</b>	<b>342,422</b>	<b>2,586,553</b>	<b>348,653</b>	<b>843,611</b>	<b>1,192,264</b>	<b>3,778,817</b>
Depreciation	3,975	15,818	60,819	9,844	26,186	11,139	127,781	3,352	4,612	7,964	135,745
<b>Total expenses</b>	<b>\$ 285,653</b>	<b>524,891</b>	<b>791,694</b>	<b>210,730</b>	<b>547,805</b>	<b>353,561</b>	<b>2,714,334</b>	<b>352,005</b>	<b>848,223</b>	<b>1,200,228</b>	<b>3,914,562</b>
Expenses included with special events revenues on the consolidated statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(183,318)	(183,318)	(183,318)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 285,653</b>	<b>524,891</b>	<b>791,694</b>	<b>210,730</b>	<b>547,805</b>	<b>353,561</b>	<b>2,714,334</b>	<b>352,005</b>	<b>664,905</b>	<b>1,016,910</b>	<b>3,731,244</b>

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	279	184	570	144	437	305	1,919	227	878	1,105	3,024
Insurance	1,627	2,419	9,802	1,868	4,980	2,841	23,537	1,232	1,737	2,969	26,506
Miscellaneous	1,182	759	1,697	522	1,490	1,083	6,733	2,563	12,201	14,764	21,497
Occupancy costs	2,029	9,212	31,834	5,925	14,047	7,122	70,169	1,642	24,862	26,504	96,673
Office supplies and equipment	1,594	1,195	3,752	784	2,329	1,740	11,394	1,268	4,760	6,028	17,422
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
Repairs and maintenance	786	3,503	15,812	2,670	6,570	3,192	32,533	853	1,162	2,015	34,548
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>

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**WELLNESS HOUSE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	SUPPORT TO WELLNESS HOUSE	ADMINISTRATIVE	DEVELOPMENT		
Salaries and related expenses:					
Salaries	\$ -	12,448	69,645	82,093	82,093
Employee benefits	-	1,712	9,576	11,288	11,288
Payroll taxes	-	953	5,327	6,280	6,280
	<u>-</u>	<u>15,113</u>	<u>84,548</u>	<u>99,661</u>	<u>99,661</u>
Total salaries and related expenses	-	15,113	84,548	99,661	99,661
Contributions to Wellness House	598,552	-	-	-	598,552
Insurance	-	1,626	-	1,626	1,626
Miscellaneous	-	716	-	716	716
Professional fees	-	10,145	-	10,145	10,145
	<u>-</u>	<u>10,145</u>	<u>-</u>	<u>10,145</u>	<u>10,145</u>
Total expenses	<u>\$ 598,552</u>	<u>27,600</u>	<u>84,548</u>	<u>112,148</u>	<u>710,700</u>

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

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL SUPPORTING SERVICES	TOTAL EXPENSES
	SUPPORT TO WELLNESS HOUSE	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	<u>-</u>	<u>14,135</u>	<u>86,477</u>	<u>100,612</u>	<u>100,612</u>
Contributions to Wellness House	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	<u>\$ 573,517</u>	<u>25,250</u>	<u>86,477</u>	<u>111,727</u>	<u>685,244</u>

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