AT THE WELL PROJECT, INC.
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

October 21, 2021

Board of Directors
At The Well Project, Inc.

Report on the Financial Statements
I have audited the accompanying financial statements of At The Well Project, Inc. (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of At The Well Project, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Healy and Associates

Healy and Associates
Concord, California

AT THE WELL PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	384,921
Contributions and grants receivable		47,174
Prepaid expenses		36,365
TOTAL CURRENT ASSETS		468,460
TOTAL ASSETS	$	468,460
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	12,132
Deferred revenue		189
PPP grant payable		37,400
TOTAL CURRENT LIABILITIES		49,721
CONTINGENCIES		
NET ASSETS		
Without donor restrictions:		
General		268,739
Board designated		125,000
With donor restrictions		25,000
TOTAL NET ASSETS		418,739
TOTAL LIABILITIES AND NET ASSETS	$	468,460

SEE NOTES TO FINANCIAL STATEMENTS

AT THE WELL PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Foundation grants and awards	$ 481,250	$ -	$ 481,250
Contributions	64,099	258,350	322,449
In-kind donation of services	189,993	-	189,993
Program service fees	51,181	-	51,181
Net assets released from restriction	318,350	(318,350)	-
Total Support and Revenue	1,104,873	(60,000)	1,044,873
EXPENSES			
Program	415,434	-	415,434
General and administrative	137,763	-	137,763
Fundraising	106,028	-	106,028
In-kind expenses	189,993		189,993
Total Expenses	849,218	-	849,218
Change in net assets	255,655	(60,000)	195,655
NET ASSETS, beginning of year	138,084	85,000	223,084
NET ASSETS, end of year	$ 393,739	$ 25,000	$ 418,739

AT THE WELL PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program	General and Administrative	Fundraising	In-kind	Total
Personnel, taxes, and benefits	$ 246,166	$ 77,694	$ 71,979	$ -	$ 395,839
In-kind services - start-up legal costs	-	-	-	189,993	189,993
Professional fees	31,910	15,956	15,956	-	63,822
Engagement	45,750	2,250	-	-	48,000
Program acquisition and outreach	29,778	1,204	-	-	30,982
Recruiting, HR, and professional development	13,484	13,851	3,498	-	30,833
Development	12,548	-	12,591	-	25,139
Website	10,118	9,200	208	-	19,526
Program product offerings	14,847	4,666	-	-	19,513
Other operating expenses	7,110	6,994	-	-	14,104
Dues and subscriptions	3,566	3,535	-	-	7,101
Bank and credit card fees	-	1,277	1,633	-	2,910
Insurance	-	1,136	-	-	1,136
Travel and meetings	157	-	163	-	320
TOTAL EXPENSES	$ 415,434	$ 137,763	$ 106,028	$ 189,993	$ 849,218

AT THE WELL PROJECT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 195,655
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:	
Contributions and grants receivables	65,326
Prepaid expenses	(32,860)
Accounts payable and accrued expenses	1,493
Deferred revenue	189
NET CASH PROVIDED BY OPERATING ACTIVITIES	229,803
CASH FLOWS FROM FINANCING ACTIVITIES:	
PPP proceeds	37,400
NET CASH PROVIDED BY FINANCING ACTIVITIES	37,400
NET INCREASE IN CASH AND CASH EQUIVALENTS	267,203
CASH AND CASH EQUIVALENTS, beginning of year	117,718
CASH AND CASH EQUIVALENTS, end of year	$ 384,921

NOTE A – NATURE OF ACTIVITIES

At The Well Project, Inc. (Organization) is a nonprofit public benefit corporation founded in 2019. The Organization's purpose is to unify ancient Jewish wisdom, modern health science, and the life experiences of real women into content, events, and products that support holistic self-care.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. In addition, these net assets may be designated by the Board of Directors for specific purposes. As of December 31, 2020, net assets were designated by the Board of Directors in the amount of $125,000.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
Cash and cash equivalents include all monies in banks and highly liquid investments, if any, with maturity dates of less than three months, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash held in investment accounts may be included in those totals in the accompanying financial statements.

Contributions and Grants Receivable
Contributions and grants receivable represent the amounts the Organization expects to receive for unconditional promises to give. The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management did not consider an allowance for doubtful accounts necessary as of December 31, 2020.

Fair Value Measurements
The Organization's financial instruments include cash and cash equivalents, measured using Level 1 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

- **Level 1**— Quoted prices for identical assets in active markets.
- **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exemption Status

The Organization was initially incorporated in Delaware. It has received tax exempt status under section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has received exempt status in the states of Delaware, New York, and California, as well as the District of Washington, D.C. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Revenue Recognition

The Organization is supported primarily through foundation grants and awards, contributions, in-kind services, and program service fees.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or 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 December 31, 2020, contributions approximating $150,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met.

The Organization recognizes revenue from program service fees when the products, services, or events are provided. Any unearned portion of funds received in advance are reflected in liabilities as deferred revenue until the earnings process has been completed.

In-kind Contributions

The Organization records donated services at their estimated fair value on the date of receipt. Donated services for the year ended December 31, 2020 are $189,993 as reflected in the accompanying statement of activities and statement of functional expenses.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited, either using square feet of space or personnel time records.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Adopted Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires organizations to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the organization expects to be entitled to in exchange for those goods and services. The Organization adopted the standard on January 1, 2020. The adoption of this standard did not materially affect changes in net assets, financial position, or cash flows.

Relevant Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The new standard establishes a comprehensive new lease accounting model. It clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

NOTE C – CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents exceeding federally insured limits. At December 31, 2020, the Organization had $134,921 in excess of federally insured limits.

During the year ended December 31, 2020, the Organization derived a significant portion (47%) of its revenue from three donors (18%, 15%, and 14%). Any loss of those funds could have an impact on the Organization's ability to provide services. In addition, two donors accounted for 74% of the Organization's receivables (53% and 21%).

NOTE D – PPP GRANT PAYABLE

In April 2020, the Organization received $37,400 from the Payroll Protection Program, offered through the Small Business Administration, in response to COVID-19. The PPP carries an interest rate of 1% and becomes payable two years after issuance. The Organization plans to seek forgiveness of the small business loan in the fiscal year ended December 31, 2021.

NOTE E – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	$ 384,921
Contributions and grants receivable	47,174
Total financial assets	432,095
Less:	
Board designated net assets	(125,000)
Net assets with purpose restrictions to be met in one year	(25,000)
	(150,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 282,095

The Organization’s board-designated funds are $125,000 at December 31, 2020. Although they do not intend to spend from this board-designated fund, these amounts could be made available if necessary. As part of the Organization’s liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE F – CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. Management believes the Organization has complied with the terms of all grants.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of non-essential businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE G – EMPLOYEE BENEFITS

The Organization’s employees are entitled to unlimited paid time off. The amount of paid time off liability at December 31, 2020 could not be determined, and is thus not reflected in the accompanying financial statements. Paid time off is accounted for in the period it is used.

NOTE H – BOARD DESIGNATED NET ASSETS

For the year ended December 31, 2020, net assets with board designations had the following activity:

Fund	Balance at 12/31/2019	Assets Allocated to Fund	Released	Balance at 12/31/2020
Cash reserve	$ -	$ 125,000	$ -	$ 125,000

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2020, net assets with donor restrictions had the following activity:

Nature of Restriction	Beginning Balance	Income and Contribution	Released from Restriction	Ending Balance
Purpose:				
Capacity building	$ -	$ 150,000	($ 150,000)	$ -
Coaching programs	-	20,000	(20,000)	-
LA Wellness	35,000	-	(35,000)	-
Payroll relief	-	25,000	(25,000)	-
Professional development	-	3,350	(3,350)	-
Strengthen SF Hub	20,000	-	(20,000)	-
Wellness programs	30,000	-	(30,000)	-
Time	-	60,000	(35,000)	25,000
Total	$ 85,000	$ 258,350	($ 318,350)	$ 25,000

NOTE J – SUBSEQUENT EVENTS

In April 2021, the Organization received forgiveness of the full amount of the first PPP grant of $37,400. In addition, in April 2021, the Organization received a second draw of $70,800 from the PPP grant funding offered through the Small Business Administration.

The Organization adopted a 401(k) Plan for pre-tax salary deferral. There is no employer matching on the employee contributions.

The Organization has evaluated subsequent events for recognition and disclosure through October 21, 2021, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2020, that required recognition or disclosure in the financial statements.