In The Family Way

FINANCIAL STATEMENTS

December 31, 2020

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
807 Camino de Monte Rey
Santa Fe, NM 87505

505.983.3387
505.988.2505 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of In The Family Way
Santa Fe, New Mexico

Opinion

We have audited the accompanying financial statements of In The Family Way (a nonprofit organization), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of In The Family Way 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.

Basis for Opinion

We conducted our audit 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 In The Family Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 In The Family Way'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, including omissions, 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 In The Family Way'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 In The Family Way'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.

Carr, Riggs & Ingram, L.L.C.

Santa Fe, New Mexico
November 10, 2021

December 31,		**2020**
Assets		
Current assets		
Cash and cash equivalents	$	**17,419**
Restricted cash		**209,378**
Accounts receivable		**2,726**
Total current assets		**229,523**
Total assets	$	**229,523**
Liabilities and Net Assets		
Liabilities	$	**-**
Net assets		
Without donor restrictions		**20,281**
With donor restrictions		**209,242**
Total net assets		**229,523**
Total liabilities and net assets	$	**229,523**

The accompanying notes are an integral part of these financial statements.

In The Family Way
Statement of Activities

For the year ended December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 702	$ 678,874	$ 679,576
Grants	-	22,040	22,040
In-kind contributions	-	216,083	216,083
Sponsorship fees	20,137	-	20,137
Merchandise sales	95	-	95
Net assets released from restrictions	707,755	(707,755)	-
Total revenue and other support	728,689	209,242	937,931
Expenses			
Program services	707,755	-	707,755
Total program services	707,755	-	707,755
Supporting services			
General and administrative	2,349	-	2,349
Fundraising	-	-	-
Total supporting services	2,349	-	2,349
Total expenses	710,104	-	710,104
Change in Net Assets	18,585	209,242	227,827
Net assets at beginning of year	1,696	-	1,696
Net assets at end of year	$ 20,281	$ 209,242	$ 229,523

The accompanying notes are an integral part of these financial statements.

For the year ended December 31, 2020	Program services	Support Services: General and administrative	Support Services: Fundraising	Total
Program Expenses	$ 10,685	$ 529	$ -	$ 11,214
Program Expense: Food	216,083	-	-	216,083
Program Expense: Distributions	437,204	-	-	437,204
Insurance	8,815	-	-	8,815
Fees	23,514	36	-	23,550
Professional Services	9,462	1,179	-	10,641
Licenses	1,239	371	-	1,610
Miscellaneous Expenses	753	234	-	987
Total expenses	$ 707,755	$ 2,349	$ -	$ 710,104

The accompanying notes are an integral part of these financial statements.

In The Family Way
Statement of Cash Flows

For the years ended December 31,		2020
Cash Flows from Operating Activities		
Change in net assets	$	227,827
Adjustments to reconcile change in net assets to		
net cash provided by operating activities		
Changes in operating assets and liabilities		
Accounts receivable		(2,726)
Net cash provided by operating activities		225,101
Net change in cash and cash equivalents		225,101
Cash and cash equivalents and restricted cash at beginning of year		1,696
Cash and cash equivalents and restricted cash at end of year	$	226,797

The accompanying notes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE ORGANIZATION

In The Family Way is a New Mexico nonprofit corporation and is qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code ("IRC") and classified as a public charity under IRC Section 509(a)(1) and 170(b)(1)(A)(vi). In The Family Way is dedicated to helping families thrive everywhere, with an emphasis on reaching historically distressed, underprivileged, or poor communities, as well as benefitting the public at large. We offer unique programs and activities designed to encourage greater creativity and compassion during transitions from birth to end of life. We also provide funding, practical support, and sponsorship to qualified organizations, individuals, and other entities to help families thrive as well as benefit the public at large through programs, projects, research, publications, events, workshops, classes and other activities. Oversight for the disbursement of funds, practical support, and sponsorship is provided by the Board of Directors with additional support from qualified professionals and volunteer community members as needed. All activities, projects and programs supported by In The Family Way take place in locations, under circumstances, and at dates and times, that are determined by the people who provide leadership for them.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Restricted Cash

Amounts included in restricted cash represent those required to be set aside by a contractual agreement with a project for use in fulfilling the stated purpose of the project.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Revenue is recognized differently for each stream of revenue based on the appropriate accounting standards.

Corporate and individual contributions- the Organization recognizes contributions when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions and sponsorships are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions. See additional information on the in-kind contributions in Note 5.

Grant revenue- the Organization obtains grants from other organizations, which are conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Sponsorship fees are collected from projects with which the Organization has a fiscal sponsorship agreement. At December 31, 2020, there were two such sponsorship agreements. Sponsorship fees and merchandise sales are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Company recognized revenue when persuasive evidence of an arrangement existed, services had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from fees received in advance are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position when applicable.

See note 5 for more details on the revenue streams.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

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. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. There are no related fund-raising expenses paid by the Organization.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. There are no payroll, maintenance, or overhead expenses to be allocated based on estimated time, space, or usage.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740*, Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 10, 2021. See Note 9 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU includes new requirements for presentation and disclosure of contributed nonfinancial assets (gifts in kind) to provide more transparency about their measurement and use. It requires these contributions to be presented as a separate line in the statement of activities and adds additional disclosures in the notes to the financial statements. The amendments are effective for annual periods beginning after June 15, 2021. The Organization is currently evaluating the impact of this guidance on its financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective January 1, 2020 the Organization adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. No adjustment was considered necessary, as the adoption did not materially affect the net assets at December 31, 2019.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization's primary source of support is contributions, which are available for spending within the limitations of the program receiving the donations.

The Organization's financial assets available within one year of the balance sheet date include cash and cash equivalents and accounts receivable, which are highly liquid and can be used to cover required administrative costs. These balances of these financial assets at December 31, 2020 were approximately $230,000. While cash and cash equivalents and account receivable balances will not be enough to maintain current operations for the long-term, the Organization expects to continue to receive support from the individuals and corporations to provide cash flow to maintain operations. If the Organization fails to receive expected community support, operations will be adjusted accordingly.

Note 4: NET ASSETS

A summary of net assets without donor restrictions follows:

December 31,		**2020**
Undesignated	$	20,281
Total net assets without donor restrictions	$	20,281

A summary of net assets with donor restrictions follows:

December 31,		**2020**
Purpose restricted		
Support and Feed COVID-19 Crisis Response	$	205,746
Poetry Pollinators		3,496
Total net assets with donor restrictions	$	209,242

A summary of the release of donor restrictions follows:

For the years ended December 31,		**2020**
Purpose restrictions		
Support and Feed COVID-19 Crisis Response	$	707,251
Poetry Pollinators		504
Total net assets with donor restrictions	$	707,755

Note 5: REVENUE

The Organization is recognizing revenue over time for its sponsorship fee revenue. Sponsorship fees are collected from projects with which the Organization has a fiscal sponsorship agreement as a percentage of income received, and are collected as contributions are received. As of December 31, 2020, there are no performance obligations that remain to be satisfied.

The Organization is recognizing revenue at a point in time for merchandise sales revenue. The merchandise sales are recognized at the point in which the products are transferred to the buyer. As of December 31, 2020 there is no deferred revenue in relation to merchandise sales.

Note 5: REVENUE (Continued)

Contributions and grants are recognized as received if no conditions exist. As of December 31, 2020, there were no conditions to the sponsorships and contributions that would defer the related revenue. In-kind contributions consist of meals donated by restaurants and of grocery items donated by plant-based food manufacturers and other producers for use in the preparation of meals to be distributed.

Disaggregated Revenue

A summary of disaggregated revenue information follows:

		2020
Recognized under ASC 606		
Recognized over time:		
Sponsorship fees	$	20,137
Recognized at a point in time:		
Merchandise sales		95
Recognized under ASU 2018-08		
Contributions		679,576
In-Kind contributions		216,083
Grant revenue		22,040
Total revenue	$	937,931

Note 6: CONCENTRATIONS

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash and cash equivalents. The Organization places its cash equivalents with high quality credit institutions. At times, such amounts may be in excess of the FDIC insurance limits. At December 31, 2020 there were no amounts on deposit that exceeded FDIC insurance limits. The Company has not experienced any losses in relation to uninsured balances.

During the year ended December 31, 2020, 73% of the Organization revenue was received from monetary contributions related to the Support + Feed project.

Note 7: RELATED PARTIES

During the year ended December 31, 2020, the Organization entered into a fiscal sponsorship agreement with Poetry Pollinators. The Poetry Pollinators is a partnership that includes one of the board members of the Organization. Transactions that occurred within the fiscal year include Poetry Pollinators collecting $4,000 in donations and grants for program service, and the Organization retaining $188 in sponsorship fees from Poetry Pollinators as part of their agreement.

Note 7: RELATED PARTIES (continued)

During the year ended December 31, 2020, the Organization entered into a fiscal sponsorship agreement with Support and Feed COVID-19 Crisis Response. Support and Feed was incorporated as a California non-profit public benefit corporation on November 20, 2020, with a board of trustees which includes one of the board members of the Organization, and IRS tax-exempt status now pending. For the interim, a new fiscal sponsor for Support and Feed has been approved effective November 15, 2021. Transactions that occurred within the fiscal year include Support and Feed COVID-19 Crisis Response collecting approximately $913,000 in donations, grants, and in-kind donations for program service, and the Organization retaining approximately $20,000 in sponsorship fees from Support and Feed COVID-19 Crisis Response as part of their agreement.

Note 8: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Note 9: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2020 through November 10, 2021, the date the Organization's financial statements were available to be issued. No matters were identified affecting the accompanying financial statements or related disclosures.