

**THE JUST ONE PROJECT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

## *Independent Auditor's Report*

To the Board of Directors  
The Just One Project

### Report on the Financial Statements

We have audited the accompanying financial statements of The Just One Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Just One Project as of December 31, 2019, 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.



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Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 audit 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020 on our consideration of The Just One Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Just One Project's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

June 23, 2020  
Las Vegas, Nevada

**THE JUST ONE PROJECT  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019**

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**ASSETS**

**Current Assets**

Cash	\$	116,138
Prepaid expenses		4,010
Refundable deposit		2,000
Total current assets		<u>122,148</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>122,148</u></b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$	4,218
Accrued expenses		10,503
Total current liabilities		<u>14,721</u>

**Net Assets:**

Without donor restrictions		64,618
With donor restrictions		42,809
		<u>107,427</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>122,148</u></b>

*See accompanying notes to the financial statements.*

**THE JUST ONE PROJECT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Net Assets without Donor Restrictions**

Revenue and other support:

In-kind donations	\$ 3,836,807
Contributions	161,768
Interest income	4
Other income	2,268
Net assets released from donor restrictions	174,250
	<u>4,175,097</u>

Expenses:

Program services	4,038,830
Supporting services:	
Management and general	135,659
Fundraising	215
	<u>4,174,704</u>

Increase in net assets without donor restrictions	<u>393</u>
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**Net Assets with Donor Restrictions**

Contributions	217,059
Net assets released from donor restrictions	<u>(174,250)</u>

Increase in net assets with donor restrictions	<u>42,809</u>
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<b>Increase in Net Assets</b>	43,202
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<b>Net Assets, Beginning of Year</b>	<u>64,225</u>
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<b>Net Assets, End of Year</b>	<u><u>\$ 107,427</u></u>
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*See accompanying notes to the financial statements.*

**THE JUST ONE PROJECT  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	Program	Management and General	Fundraising	Total
Advertising	\$ 1,660	\$ 250	\$ -	\$ 1,910
Bank fees	-	2,478	-	2,478
Insurance	1,910	-	-	1,910
Miscellaneous	2,446	15	-	2,461
Office expense	8,373	11,854	-	20,227
Printing and design	856	-	215	1,071
Professional fees	7,168	12,062	-	19,230
Program expenses	3,848,479	-	-	3,848,479
Rent	29,075	-	-	29,075
Repairs and maintenance	1,147	-	-	1,147
Salaries, wages and related	121,419	101,346	-	222,765
Shipping, freight, and delivery	3,437	2,780	-	6,217
Taxes and licenses	200	50	-	250
Travel, meals and entertainment	5,599	3,391	-	8,990
Utilities	7,061	1,433	-	8,494
	<u>\$ 4,038,830</u>	<u>\$ 135,659</u>	<u>\$ 215</u>	<u>\$ 4,174,704</u>

*See accountant's reports and notes to the financial statements.*

**THE JUST ONE PROJECT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Cash Flows from Operating Activities**

Increase in net assets	\$	43,202
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses		(4,010)
(Increase) decrease in refundable deposit		(2,000)
Increase (decrease) in accounts payable		4,218
Increase (decrease) in accrued expenses		10,503
		<hr/>
Net cash provided by operating activities		51,913
		<hr/>
<b>Net Change in Cash</b>		51,913
<b>Cash, Beginning of Year</b>		64,225
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<b>Cash, End of Year</b>	\$	<u>116,138</u>

*See accompanying notes to the financial statements.*

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Just One Project (the Organization) is presented to assist in understanding the Organizations' financial statements. The financial statements and notes are representations of the Organizations' management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### **Nature of Organization**

The Organization is a Nevada not-for-profit entity established on November 19, 2014 for the purpose of connecting the community by inspiring people to give back, get involved and make a difference in the lives of disadvantaged families and children. Projects are created that fill basic needs and positively impact the people the Organization serves. Individuals served are mainly residents of southern Nevada.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

### **Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization presents a classified statement of financial position with additional qualitative information about availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update (ASU) 2016-14), the Organization is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released by donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

### **Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions, which at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**THE JUST ONE PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

**Contributed Materials and Services**

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Organization has a clearly measurable and objective basis for determining the value. Donated professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization received in-kind donations of food in the amount of \$3,836,807 for the year ended December 31, 2019.

Unpaid volunteers have donated their time to the Organization's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax is reflected in the accompanying financial statements.

Management has evaluated the tax positions taken within their tax returns and does not believe there are any significant uncertain positions taken on the returns. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements. The Organization's federal exempt organization's tax returns are subject to examination by the IRS for three years after the forms were filed starting with tax year 2017.

**Allocation Methodology**

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort, except for those expenditures that are considered direct expenses.

**Advertising**

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2019 was \$1,910.

**THE JUST ONE PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019**

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**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The Organization has \$73,329 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures all consisting of cash. Contractual or donor-imposed restrictions are not available for general expenditure. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 3 – NET ASSETS**

**Net Assets without Donor Restrictions**

As of December 31, 2019, there were no governing board designations.

**Net Assets with Donor Restrictions**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Net assets with donor restrictions are available for the following purposes as of December 31, 2019:

Pantry	\$ 40,918
Program - other	<u>1,891</u>
	<u>\$ 42,809</u>

Net assets with donor restrictions consisted of cash of \$42,809 as of December 31, 2019.

**NOTE 4 – LEASE AGREEMENTS**

The Organization has entered into an operating lease for building space. The lease commenced on November 1, 2018 and required monthly lease payments of \$2,450. The lease was set to expire March 29, 2020. On January 1, 2020 a two-year lease was signed for a larger office space.

Future minimum rental payments are as follows, as of December 31:

2020	\$ 55,468
2021	<u>48,118</u>
	<u>\$ 103,586</u>

Total rent expense for the year ended December 31, 2019 was \$29,075.

**THE JUST ONE PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019**

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**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

During the year ended December 31, 2019, the Organization entered into an agreement with Three Square to operate a facility dedicated to expanding current operations in a food pantry used to assist in volunteering activities related to serving low-income vulnerable adults. Mostly all food is donated by Three Square and recorded as in-kind revenues and expenses. The recorded in-kind donations related to this contract makes up approximately 80% of revenues and 80% of expenses.

**NOTE 6 – SUBSEQUENT EVENTS**

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 pandemic may have on the Organization's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Organization's future financial statements.

Subsequent events have been evaluated through June 23, 2020, which is the date the financial statements were available to be issued.

## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
The Just One Project

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Just One Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Just One Project’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Just One Project’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Just One Project’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Just One Project financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The Just One Project’s Response to Findings**

The Just One Project’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Just One Project’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



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## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
June 23, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
The Just One Project

**Report on Compliance for Each Major Federal Program**

We have audited The Just One Project's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Just One Project's major federal programs for the year ended December 31, 2019. The Just One Project's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of The Just One Project's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Just One Project's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Just One Project's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, The Just One Project complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

**Report on Internal Control over Compliance**

Management of The Just One Project is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Just One Project's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Just One Project's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.



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*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ellsworth & Stout, LLC

Las Vegas, Nevada  
June 23, 2020