

THE JUST ONE PROJECT
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021 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 The Just One Project (the "Organization") as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization 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 opinions.

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 the Organization'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 and *Government 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.



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Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117
p 702-871-2727 f 702-876-0040

lvcpas.com

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In performing an audit in accordance with generally accepted auditing standards and *Government 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 the Organization'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 the Organization'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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022 on our consideration of the Organization'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 solely 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 effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

June 7, 2022
Las Vegas, Nevada

**THE JUST ONE PROJECT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS

Current Assets

Cash	\$	660,304
Grants receivable		341,350
Pledges receivable		40,000
Prepaid expenses		192,564
Refundable deposit		12,015
Total current assets		<u>1,246,233</u>

Property and Equipment, net

322,055

Total Assets

\$ 1,568,288

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	193,109
Accrued expenses		60,494
Grant advance		70,519
Total current liabilities		<u>324,122</u>

Net Assets:

Without donor restrictions		<u>1,244,166</u>
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Total Liabilities and Net Assets

\$ 1,568,288

See accompanying notes to the financial statements.

**THE JUST ONE PROJECT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net Assets without Donor Restrictions

Revenue and other support:	
In-kind donations	\$ 7,524,217
Grant income	2,463,337
Contributions	555,337
Special events, net expenses of \$11,876	105,652
Interest income	12
Other income	24,786
	<u>10,673,341</u>
Expenses:	
Program services	9,029,306
Supporting services:	
Management and general	681,520
Fundraising	746
	<u>9,711,572</u>
Other increase (decrease):	
Gain on extinguishment of debt	80,809
	<u>1,042,578</u>
Increase in Net Assets	1,042,578
Net Assets, Beginning of Year	201,588
Net Assets, End of Year	\$ 1,244,166

See accompanying notes to the financial statements.

**THE JUST ONE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program	Management and General	Fundraising	Total
Advertising	\$ 7,167	\$ 17,078	\$ -	\$ 24,245
Auto expense	18,888	52,868	-	71,756
Depreciation	-	33,896	-	33,896
Dues and subscriptions	-	11,380	-	11,380
Fundraising	-	-	746	746
Insurance	33,909	-	-	33,909
Miscellaneous	-	4,634	-	4,634
Office expense	84,517	108,591	-	193,108
Printing and design	14,194	1,595	-	15,789
Professional fees	2,659	52,810	-	55,469
Program expenses	7,702,470	-	-	7,702,470
Rent	48,515	15,327	-	63,842
Repairs and maintenance	-	13,287	-	13,287
Salaries, wages and related	1,071,162	338,261	-	1,409,423
Taxes and licenses	-	6,880	-	6,880
Travel, meals and entertainment	15,597	23,710	-	39,307
Utilities	30,228	1,203	-	31,431
	<u>\$ 9,029,306</u>	<u>\$ 681,520</u>	<u>\$ 746</u>	<u>\$ 9,711,572</u>

See accompanying notes to the financial statements.

**THE JUST ONE PROJECT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash Flows from Operating Activities

Increase in net assets	\$ 1,042,578
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation and amortization	33,896
Gain on extinguishment of debt	(80,809)
Changes in operating assets and liabilities:	
(Increase) decrease in grants receivable	(337,148)
(Increase) decrease in pledges receivable	(15,000)
(Increase) decrease in prepaid expenses	(186,184)
Increase (decrease) in accounts payable	(523,778)
Increase (decrease) in accrued expenses	56,681
Increase (decrease) in grant advance	(254,759)
Net cash used in operating activities	<u>(264,523)</u>

Cash Flows from Investing Activities

Purchase of property and equipment	<u>(346,013)</u>
Net cash used in investing activities	<u>(346,013)</u>

Net Change in Cash (610,536)

Cash, Beginning of Year 1,270,840

Cash, End of Year \$ 660,304

Supplemental disclosure of non-cash investing activities:

Acquisition of property and equipment through donation	<u><u>\$ 97,500</u></u>
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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, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable represent unreimbursed costs and outstanding grant award balances. It is the Organization's policy to charge off uncollectible receivables when management determines that receivables will not be collected. As of December 31, 2021, no allowances for doubtful grant receivable was deemed necessary.

Pledges Receivable

Certain Nevada businesses and individuals have made pledges in support of the Organization. In accordance with ASC 958, *Not-for-Profit Entities*, the promises to give are recorded at their present value. As of December 31, 2021, no discount on pledges was deemed necessary.

Property and Equipment

The Foundation capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$1,000. Property and equipment that are contributed to the Foundation are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between three to ten years.

Grant Advance

When grant money is received in advance, and not all the requirements necessary to be eligible for the advance to be recognized as revenue has been met, the advance is reported as a liability. Grant advances for the year ended December 31, 2021 was \$172,096.

Revenue Recognition

All 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 statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or non-conditional. A conditional contribution exists if a) one or more barrier exists and b) the right to receive or retain payment or delivery of the promised asset depends on meeting those barriers. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Non-conditional contributions are recognized when received or right to receive is obtained through documentation.

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the year ended December 31, 2021, all exchange grant revenue was recognized at a point in time when services were performed.

**THE JUST ONE PROJECT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Materials and Services

Contributed services are recognized as contributions in accordance with the FASB Codification 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. 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.

The fair values of in-kind donations are summarized as follows:

Food donations	\$7,426,717
Equipment	<u>97,500</u>
	<u>\$7,524,217</u>

Food donations are recorded as an in-kind donations and valued at \$1.70 per pound based on fair market value provided by grantors.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made 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 2018.

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, 2021 was \$24,245.

**THE JUST ONE PROJECT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02 (Topic 842) pertaining to Leases. Due to the pandemic, ASU 2020-05 was issued that gives an extension of implementation of ASU 2016-02 for certain entities that have not yet issued their financial statements reflecting the adoption of Leases by June 2020. Therefore, under the amendment, Leases is effective for non-public entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application continues to be permitted. Management has not yet evaluated the effects of this standard on the Organization’s financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization has \$971,132 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$589,782, grant receivables of \$341,350, and pledges receivable of \$40,000. 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, 2021, 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.

NOTE 4 – PAYCHECK PROTECTION PROGRAM

On May 6, 2020, the Center was granted a loan from a financial institution in the aggregate amount of \$80,809, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses. At December 31, 2021, the full loan in the amount of \$80,809 was forgiven and included in gain on extinguishment of debt on the statement of activities.

THE JUST ONE PROJECT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 5 – LEASE AGREEMENTS

The Organization has entered into an operating lease for a vehicle. On December 1, 2020 a three-year lease was signed.

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

2022	\$ 6,864
2023	\$ 5,720

Total rent expense for the year ended December 31, 2021 was \$63,842, which expense includes payments for the building lease that ended December 31, 2021.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2021, 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. The food that is donated by Three Square is recorded as in-kind revenues and expenses, which makes up approximately 80% of revenues and 95% of expenses.

NOTE 7 – RETIREMENT PLAN

During 2021, the Organization established a defined-contribution 401(k) retirement plan (the Plan) which is available to all eligible employees. Employees become eligible to participant in the Plan the first day of employment. Through payroll deductions, plan participants contribute elective deferrals up to the maximum amount allowed by law and the Plan. For the year ended December 31, 2021, the Organization has not made any matching contributions nor were they required to.

NOTE 8 – RISKS AND UNCERTAINTIES

Management is currently responding to the existing effects of the global pandemic and planning for the potential future effects that the 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.

NOTE 9 – SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through June 7, 2022, which is the date the financial statements were available to be issued.