THE JUST ONE PROJECT

FINANCIAL STATEMENTS

DECEMBER 31, 2020

ELLSWORTH • STOUT

CPAs and Consultants

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, 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 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, 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.

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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 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 17, 2021, 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 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 Just One Project'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 Just One Project's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

June 17, 2021
Las Vegas, Nevada

THE JUST ONE PROJECT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS		
Current Assets		
Cash	$	1,270,840
Pledges and grants receivable		29,202
Prepaid expenses		6,380
Refundable deposit		12,015
Total current assets		1,318,437
Construction in Progress		9,938
Total Assets	$	1,328,375
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$	716,887
Accrued expenses		3,813
Grant advance		325,278
Current maturities of long-term debt		29,562
Total current liabilities		1,075,540
Long-Term Liabilities:		
Long-term debt, net of current maturities		51,247
Total Liabilities		1,126,787
Net Assets:		
Without donor restrictions		201,588
Total Liabilities and Net Assets	$	1,328,375

See accompanying notes to the financial statements.

THE JUST ONE PROJECT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Assets without Donor Restrictions	
Revenue and other support:	
In-kind donations	$ 4,900,949
Grant income	3,066,924
Contributions	412,624
Interest income	2
Other income	18,386
Net assets released from donor restrictions	42,809
	8,441,694
Expenses:	
Program services	7,725,102
Supporting services:	
Management and general	579,197
Fundraising	425
	8,304,724
Increase in net assets without donor restrictions	136,970
Net Assets with Donor Restrictions	
Net assets released from donor restrictions	(42,809)
Decrease in net assets with donor restrictions	(42,809)
Increase in Net Assets	94,161
Net Assets, Beginning of Year	107,427
Net Assets, End of Year	$ 201,588

See accompanying notes to the financial statements.

THE JUST ONE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program	Management and General	Fundraising	Total
Advertising	$ -	$ 19,236	$ -	$ 19,236
Auto expense	289,414	21,885	-	311,299
Bank fees	-	145	-	145
Fundraising	-	-	425	425
Insurance	-	3,431	-	3,431
Miscellaneous	-	3,098	-	3,098
Office expense	-	96,556	-	96,556
Printing and design	4,865	-	-	4,865
Professional fees	-	29,225	-	29,225
Program expenses	6,394,275	-	-	6,394,275
Rent	131,589	48,670	-	180,259
Repairs and maintenance	-	2,248	-	2,248
Salaries, wages and related	893,566	330,497	-	1,224,063
Taxes and licenses	-	1,794	-	1,794
Travel, meals and entertainment	-	18,198	-	18,198
Utilities	11,393	4,214	-	15,607
	$ 7,725,102	$ 579,197	$ 425	$ 8,304,724

See accompanying notes to the financial statements.

THE JUST ONE PROJECT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities	
Increase in net assets	$ 94,161
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in pledges and grants receivable	(29,202)
(Increase) decrease in prepaid expenses	(2,370)
(Increase) decrease in refundable deposit	(10,015)
Increase (decrease) in accounts payable	712,669
Increase (decrease) in accrued expenses	(6,690)
Increase (decrease) in grant advance	325,278
Net cash provided by operating activities	1,113,393
Cash Flows from Investing Activities	
Purchase of property and equipment	(9,938)
Net cash used in investing activities	(9,938)
Cash Flows from Financing Activities	
Proceeds from long-term debt	51,247
Net cash provided by financing activities	51,247
Net Change in Cash	1,154,702
Cash, Beginning of Year	116,138
Cash, End of Year	$ 1,270,840

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Pledges 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, 2020, no allowances for doubtful grant receivable was deemed necessary.

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, 2020, no discount on pledges was deemed necessary.

Grant Advance

When grant money is received in advance, and not all the requirements necessary to be eligible for the grant has been met, the grant is reported as a liability. Grant advances for the year ended December 31, 2020 was $325,278.

Revenue Recognition

In August 2015 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) pertaining to revenue from contracts with customers. This pronouncement was amended by ASU 2020-05 to extend the effective date of this pronouncement for non-public companies to become effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization adopted Topic 606 at the beginning of the year ended December 31, 2020. The Organization's financial statements were not impacted by the adoption of Topic 606.

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. As of December 31, 2020, all exchange grant revenue was recognized at a point in time when services are performed.

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 contributions are summarized as follows:

Food donations	$4,790,099
Equipment	110,850
	$4,900,949

Food donations are recorded as an in-kind contribution and valued at $1.62 per pound, in accordance with Feed America's valuation as of June 30, 2019.

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 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, 2020 was $19,236.

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 $295,624 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 $266,422 and pledge and grant receivables of $29,202. 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, 2020, 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 – LONG-TERM DEBT

As of December 31, 2020 long-term debt consisted of the following:

On May 6, 2020, the Organization 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. The loan matures on May 6, 2022 and bears interest at a fixed rate of 1% per annum, payable monthly commencing on October 6, 2021. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Organization's intent is to use the entire loan amount on qualifying expenses.	$	80,809
Less: current maturities		(29,562)
	$	51,247

As of December 31, long-term debt matures as follows:

2021	$	29,562
2022		51,247
	$	80,809

NOTE 5 – LEASE AGREEMENTS

The Organization has entered into an operating lease for building space. On January 1, 2020 a two-year lease was signed.

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

2021	$ 48,118

Total rent expense for the year ended December 31, 2020 was $119,615.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2020, 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 7 – RISKS AND UNCERTAINTIES

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.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 17, 2021, 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, 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, and have issued our report thereon dated June 17, 2021.

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 2020-001 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 corrective action plan. 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.

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 17, 2021

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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, 2020. 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, 2020.

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 17, 2021