

JUST ONE AFRICA, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2019

JUST ONE AFRICA, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Just One Africa, Inc.
Alpharetta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Just One Africa, Inc., 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.

Auditors' 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. 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 auditors' 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 auditors consider 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 Just One Africa, Inc. 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.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC
Certified Public Accountants
Suwanee, GA 30024

September 15, 2020

JUST ONE AFRICA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

	<u>2019</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 615,644
Inventory	<u>25,650</u>
 TOTAL ASSETS	 <u>\$ 641,294</u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	<u>\$ 24,201</u>
 TOTAL LIABILITIES	 <u>24,201</u>
NET ASSETS	
Without donor restrictions - expendable	387,704
With donor restrictions	<u>229,389</u>
 TOTAL NET ASSETS	 <u>617,093</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 641,294</u>

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE			
Contributions	\$ 322,237	\$ 421,168	\$ 743,405
Other income	2,957	-	2,957
	325,194	421,168	746,362
Sale of products	108,566	-	108,566
Less cost of goods sold	(21,852)	-	(21,852)
Net sales	86,714	-	86,714
Net assets released from restrictions:			
Satisfaction of program restrictions	191,779	(191,779)	-
	603,687	229,389	833,076
TOTAL SUPPORT AND REVENUE			
EXPENSES			
Program services	430,482	-	430,482
Management and general	45,711	-	45,711
Fundraising	23,958	-	23,958
	500,151	-	500,151
TOTAL EXPENSES			
CHANGE IN NET ASSETS	103,536	229,389	332,925
NET ASSETS, Beginning of year	284,168	-	284,168
NET ASSETS, End of year	\$ 387,704	\$ 229,389	\$ 617,093

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	2019			
	Program Services	Management and General	Fundraising	Total
Payroll	\$ 40,649	\$ 18,385	\$ 14,136	\$ 73,170
Bank fees	7,362	1,256	7,505	16,123
Cost of goods sold	21,852	-	-	21,852
Dues and subscriptions	101	2,803	-	2,904
Insurance	-	5,239	-	5,239
Licenses and permits	-	9,450	-	9,450
Marketing and promotion	288	302	610	1,200
Miscellaneous expenses	402	574	316	1,292
Office supplies	-	1,230	38	1,268
Postage and shipping	259	124	396	779
Printing and publication	724	785	957	2,466
Professional fees	-	3,364	-	3,364
Program projects	327,097	-	-	327,097
Rent	-	2,000	-	2,000
Training	4,506	95	-	4,601
Travel	49,094	104	-	49,198
	452,334	45,711	23,958	522,003
Total expenses by function				
Less expenses included with revenues in the statement of activities				
Cost of goods sold	(21,852)	-	-	(21,852)
Total expenses included in the expense section in the statement of activities	\$ 430,482	\$ 45,711	\$ 23,958	\$ 500,151
<i>Percentage of total expenses</i>	87%	9%	4%	100%

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2019

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 332,925
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Accounts receivable	824
Inventory	(16,456)
Accounts payable	<u>14,760</u>
CASH PROVIDED BY OPERATING ACTIVITIES	332,053
CASH, Beginning of Year	<u>283,591</u>
CASH, End of Year	<u><u>\$ 615,644</u></u>

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1: NATURE OF ORGANIZATION

Just One Africa, Inc. (“the Organization”) was established in 2012 under the laws of the State of Georgia as a not-for-profit corporation to provide for the humanitarian needs, including but not limited to, food, water, shelter, education, and hope of vulnerable children and women in rural areas in Africa. Just One Africa, Inc. is supported through the contributions of interested individuals, churches, foundations, and businesses and the sale of fair-trade products, which are handmade by artisans in Kenya.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

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

Basis of Accounting

The financial statements of Just One Africa, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash

Cash includes all monies in banks and is held in banks covered by the Federal Deposit Insurance Corporation up to \$250,000. Deposits in excess of federally insured limits totaled \$390,315 as of December 31, 2019. Management believes it is not exposed to any significant credit risk on cash, although its balances have exceeded federally insured limits.

Inventory

The Organization offers a collection of fair-trade products which are handmade by artisans in Kenya. Just One Africa, Inc. sells these products at their online store and the profit from these sales is used to fund the clean water program. Inventory is carried at cost, with cost determined by the first-in, first-out method.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions: satisfaction of program restrictions.

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Goods and Services

The Organization receives a substantial amount of services donated by volunteers in carrying out its ministry. The volunteer services received do not meet the criteria for recognition according to US GAAP. Accordingly, no amounts for contributed volunteer services have been recorded in the financial statements.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code (the Code) Section 501(c)(3) and the Georgia Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Certain amounts included in the statement of functional expenses are allocated based on actual use estimated by each program. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs such as compensation, have been allocated among the program services and supporting activities benefited based on the level of time and effort expended.

NOTE 3: AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available within one year of the statement of financial position for general expenditures at December 31:

	<u>2019</u>
Financial assets at year end	
Cash	<u>\$ 615,644</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 615,644</u>

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 3: AVAILABILITY AND LIQUIDITY (continued)

The Organization regularly monitors liquidity required to meet operating needs and other commitments. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization’s cash.

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions have the following time and purpose restrictions:

	Year Ended December 31, 2019			
	Balance 12/31/18	Restricted Revenue	Restrictions Satisfied	Balance 12/31/2019
Water filters and wells	\$ -	\$ 19,655	\$ 19,655	\$ -
Valley Light building project	-	329,548	100,159	229,389
Valley Light school	-	3,000	3,000	-
Medical	-	3,680	3,680	-
Lenkai water tank	-	24,385	24,385	-
Lenkai school	-	1,461	1,461	-
Rescue - Hope Beyond	-	4,058	4,058	-
Vehicle purchase	-	35,381	35,381	-
Total net assets with donor restrictions	<u>\$ -</u>	<u>\$ 421,168</u>	<u>\$ 191,779</u>	<u>\$ 229,389</u>

NOTE 5: SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern”. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact financial condition or results of operations is uncertain.

As part of the response to the impact of COVID-19, Just One Africa, Inc. applied for a Paycheck Protection Program (PPP) loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. Just One Africa, Inc. was approved for a loan in the amount of approximately \$14,000. Based on the provisions included in the CARES Act, the Organization anticipates that this amount will be fully forgiven during the year ending December 31, 2020.

Just One Africa, Inc. has evaluated subsequent events through September 15, 2020, which represents the date the financial statements were available to be issued. Other than the issue disclosed above, the Organization is not aware of any material subsequent events.