

JUST ONE AFRICA, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

Years Ended December 31, 2020 and 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 statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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, 2020 and 2019. and the changes in its net assets and its cash flows for the years 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
November 12, 2021

JUST ONE AFRICA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

ASSETS		2020	2019
CURRENT ASSETS			
Cash		\$ 616,706	\$ 615,644
Inventory		28,161	25,650
TOTAL ASSETS		\$ 644,867	\$ 641,294
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 10,084	\$ 24,201
TOTAL LIABILITIES		10,084	24,201
NET ASSETS			
Without donor restrictions - expendable		515,205	387,704
With donor restrictions		119,578	229,389
TOTAL NET ASSETS		634,783	617,093
TOTAL LIABILITIES AND NET ASSETS		\$ 644,867	\$ 641,294

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 286,253	\$ 422,885	\$ 709,138	\$ 322,237	\$ 421,168	\$ 743,405
PPP income (Note 5)	13,900	-	13,900	-	-	-
Other income	3,131	-	3,131	2,957	-	2,957
	<u>303,284</u>	<u>422,885</u>	<u>726,169</u>	<u>325,194</u>	<u>421,168</u>	<u>746,362</u>
Sale of products	94,192	-	94,192	108,566	-	108,566
Less cost of goods sold	(20,470)	-	(20,470)	(21,852)	-	(21,852)
Net sales	<u>73,722</u>	<u>-</u>	<u>73,722</u>	<u>86,714</u>	<u>-</u>	<u>86,714</u>
Net assets released from restrictions:						
Satisfaction of program restrictions	532,696	(532,696)	-	191,779	(191,779)	-
	<u>909,702</u>	<u>(109,811)</u>	<u>799,891</u>	<u>603,687</u>	<u>229,389</u>	<u>833,076</u>
EXPENSES						
Program services	699,252	-	699,252	430,482	-	430,482
Management and general	55,365	-	55,365	45,711	-	45,711
Fundraising	27,584	-	27,584	23,958	-	23,958
	<u>782,201</u>	<u>-</u>	<u>782,201</u>	<u>500,151</u>	<u>-</u>	<u>500,151</u>
CHANGE IN NET ASSETS	127,501	(109,811)	17,690	103,536	229,389	332,925
NET ASSETS, Beginning of year	<u>387,704</u>	<u>229,389</u>	<u>617,093</u>	<u>284,168</u>	<u>-</u>	<u>284,168</u>
NET ASSETS, End of year	<u>\$ 515,205</u>	<u>\$ 119,578</u>	<u>\$ 634,783</u>	<u>\$ 387,704</u>	<u>\$ 229,389</u>	<u>\$ 617,093</u>

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Payroll	\$ 50,949	\$ 24,045	\$ 21,357	\$ 96,351	\$ 40,649	\$ 18,385	\$ 14,136	\$ 73,170
Bank fees	5,816	1,189	4,178	11,183	7,362	1,256	7,505	16,123
Cost of goods sold	20,470	-	-	20,470	21,852	-	-	21,852
Dues and subscriptions	-	2,650	-	2,650	101	2,739	-	2,840
Insurance	-	5,288	-	5,288	-	5,239	-	5,239
Licenses and permits	-	7,939	-	7,939	-	9,450	-	9,450
Marketing and promotion	286	12	686	984	288	302	610	1,200
Miscellaneous expenses	183	107	331	621	402	733	316	1,451
Office supplies	330	1,862	299	2,491	-	1,230	38	1,268
Postage and shipping	18,991	2	533	19,526	259	124	396	779
Printing and publication	50	-	200	250	724	785	957	2,466
Professional fees	-	12,137	-	12,137	-	3,364	-	3,364
Program projects	620,414	-	-	620,414	327,097	-	-	327,097
Rent	-	-	-	-	-	2,000	-	2,000
Training	355	134	-	489	4,506	-	-	4,506
Travel	1,878	-	-	1,878	49,094	104	-	49,198
Total expenses by function	719,722	55,365	27,584	802,671	452,334	45,711	23,958	522,003
Less expenses included with revenues in the statement of activities:								
Cost of goods sold	(20,470)	-	-	(20,470)	(21,852)	-	-	(21,852)
Total expenses included in the expense section in the statement of activities	\$ 699,252	\$ 55,365	\$ 27,584	\$ 782,201	\$ 430,482	\$ 45,711	\$ 23,958	\$ 500,151
<i>Percentage of total expenses</i>	<i>90%</i>	<i>7%</i>	<i>3%</i>	<i>100%</i>	<i>87%</i>	<i>9%</i>	<i>4%</i>	<i>100%</i>

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 17,690	\$ 332,925
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accounts receivable	-	824
Inventory	(2,511)	(16,456)
Accounts payable	(14,117)	14,760
	1,062	332,053
CASH PROVIDED BY OPERATING ACTIVITIES		
CASH, Beginning of Year	615,644	283,591
CASH, End of Year	\$ 616,706	\$ 615,644

See auditors' report and accompanying notes to financial statements

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 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 accounting principles generally accepted in the United States of America (“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

The Organization maintains cash balances at a financial institution that may, at times, exceed the federally insured limits. The Federal Deposit Insurance Corporation insures cash balances held at a financial institution up to \$250,000. Deposits in excess of federally insured totaled \$296,830 and \$390,315 for December 31, 2020 and 2019.

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.

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.

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Organization receives significant revenue restricted by donors and considers revenue restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2020 and 2019, assets with donor restrictions of \$40,803 and \$-0-, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

NOTE 3: AVAILABILITY AND LIQUIDITY (continued)

The Organization regularly monitored liquidity required to meet its operating needs and other commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources with unrestricted contributions. Refer to the statements of cash flows which identifies the sources and uses of the Organization’s cash.

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

	2020	2019
Financial assets at year end		
Cash	\$ 616,706	\$ 615,644
Less amounts not available to be used within one year for general expenditures:		
Valley Light building project	(78,773)	(229,389)
Financial assets available to meet general expenditures over the next twelve months	\$ 537,933	\$ 386,255

NOTE 4: RISKS AND UNCERTAINTIES

Concentration Risk

Contributions from one donor comprised approximately 18% of total donations received for the year ended December 31, 2020. In 2019, two donors contributed approximately 26% of the total revenue received. There is no indication that any changes in the relationship with these donors will occur in the foreseeable future.

Coronavirus Pandemic

In December 2019, a novel strain of coronavirus (“COVID-19”) 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 COVID-19 on operational and financial performance will depend on certain developments: including the duration and spread of the outbreak, impact on donors, volunteers and vendors, all which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact financial conditions or results of operations is uncertain.

NOTE 5: PAYCHECK PROTECTION PROGRAM GRANT

In 2020, the Organization received a Paycheck Protection Program ("PPP") loan in the amount of \$13,900 from the Small Business Administration ("SBA"). The balance has been recorded as Paycheck Protection Program grant in the Statement of Activities and Net Assets for the year ended December 31, 2020. The Organization received confirmation that the loan had been forgiven in full in January 2021.

JUST ONE AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

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

	Year Ended December 31, 2020			
	Balance 12/31/2019	Restricted Revenue	Restrictions Satisfied	Balance 12/31/2020
Water filters and wells	\$ -	\$ 25,202	\$ (23,471)	\$ 1,732
Valley Light building project	229,389	107,076	(257,692)	78,773
Valley Light school	-	24,106	(5,863)	18,243
Emergency Projects	-	30,618	(18,461)	12,157
Lenkai water tank	-	1,800	-	1,800
Lenkai school	-	90,000	(90,000)	-
Rescue - Hope Beyond	-	16,110	(16,110)	-
Just Add Water	-	105,750	(105,750)	-
Sustainability	-	17,136	(15,350)	1,786
Sanitation	-	5,087	-	5,087
Vehicle Purchase	-	-	-	-
Total net assets with donor restrictions	<u>\$ 229,389</u>	<u>\$ 422,885</u>	<u>\$ (532,696)</u>	<u>\$ 119,578</u>

	Year ended December 31, 2019			
	Balance 12/31/2018	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)	-
Emergency Projects	-	3,680	(3,680)	-
Lenkai water tank	-	24,385	(24,385)	-
Lenkai school	-	1,461	(1,461)	-
Rescue - Hope Beyond	-	4,058	(4,058)	-
Just Add Water	-	-	-	-
Sustainability	-	-	-	-
Sanitation	-	-	-	-
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 7: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 12, 2021, which represents the date the financial statements were available to be issued. The Organization is unaware of any material events that require disclosure in the financial statements or notes.