

**Just Believe, A New Jersey Non-profit Corporation
Just Believe Inc.
(A Non-profit Organization)
P.O. Box 5441
Toms River, NJ 08754**

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors
Just Believe Inc.
Toms River, New Jersey

Report on the Financial Statement

We have audited the accompanying financial statements of Just Believe A New Jersey Non-profit Corporation/Just Believe Inc. (the "Organization") a non-profit organization, which comprised of 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.

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 controls 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 of 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 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 assurances about whether the financial statements are free of 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 judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments an auditor considers internal controls relevant to the entity's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 an audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information 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. The information was also derived from 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 Requirements to Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of the Organization's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements as well as other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting, compliance, and the reporting on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organizations' internal controls over financial reporting and compliance.

Report on Summarized Comparative Information

We have audited the Organization's 2021 financial statements and our report dated June 16, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ending on December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Catherine Cromlish
Firm Accountant


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JUST BELEIVE, INC
Profit & Loss Statement
January 1, 2021 through December 31, 2021

Income	
Code Blue	52,330
Donations	37,791
Clothing Bin	7,750
Fundraisers	10,486
Grants	68,000
JB Boutique	96,615
Gross Profit	\$ 272,972
Expenses	
Advertising	\$ 3,640
Auto Expense	22,430
BCS	720
Client services	24,774
Computer & Internet	3,964
Equipment	1,430
General Supply(code blue)	3,441
Golf Outing	671
Insurance	4,328
Janitorial Service	4,011
Meals & Entertainment	3,854
Office Supply	9,338
Payroll	125,554
Payroll Taxes	8,644
Professional Fees	3,500
Registration & License	112
Rent	22,116
Travel	2,102
Utilities	3,643
Total Expenses	\$ 248,272
Net Profit	\$ 24,700

1. Summary of Significant Policies

Business Activity

The Organization is a non-profit corporation located in Toms River, Ocean County, New Jersey that provides emergency shelter and life sustaining services, including hot nutritious meals, to at-risk individuals during life threatening weather events. The Organization is the only organization in Ocean County, New Jersey to assist at-risk individuals address any underlying issues that may have contributed to their situation in order to break the cycle of homelessness. In addressing these issues, the Organization has successfully ushered individuals into addiction programming, mental health services and full-time employment. In fact, the services the Organization provides pursuant to The Code Blue Emergency Shelter Initiative inspired the Township of Toms River to award it with a proclamation as the first non-profit to be presented with such an award for helping the homeless. The Organization also opened a Thrift Store on August 12, 2020, partially to serve as headquarters for its outreach program. As a result, the Organization's outreaches provide meals for up to 1,000 individuals each time it conducts one and every year the Organization distributes 50,000 pounds of food to those in need. Moreover, the Organization is embarking on a project to build the first transitional home in Ocean County, New Jersey on land donated to it. The home will be named Larry's Home in honor of deceased veteran Larry Robertiello and veterans will have priority regarding living at the home. The Organization's transitional living program will be designed to support individuals struggling with homelessness and assist them overcome any barriers in reentering community living. Furthermore, the Organization provides information referral services and advocacy regarding the Board of Social Services and other agencies for approximately 2,000 homeless individuals. The Organization will also work with the homeless as they attempt to navigate the Board of Social Services' complex criteria

Just Believe Inc accomplishes the above through advocacy, partnership building, maintaining warming centers, building transitional housing, and conducting outreaches to provide food to those in need. Priority regarding the Organization's services is given to those who are categorized as low income. The Organization's support comes primarily from contributions from foundations associated with various corporations, foundations associated with various banks, other private foundations, State, County and Local governments and individuals.

Basis of Accounting

The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of measurements made regardless of the measurement's focus. The financial statements of the Organization have been prepared on the accrual basis of accounting. The revenues are recognized when the related liability is incurred.

Basis of Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ending on December 31, 2021, from which the summarized information was derived.

In accordance with generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2021, the Organization has no permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost if purchased, or if donated, as the estimated fair value at the date of the donation. The cost is depreciated over the estimated useful lives of the related assets. The Organization's current policy is to capitalize all assets acquired in excess of \$250.00 and having an estimated useful life of greater than one year. Depreciation is computed using the straight-line of greater than one-year. The useful lives used for depreciation range from five to ten years.

When depreciable assets are retired or otherwise disposed of, the cost is removed from the asset accounts and the related accumulated depreciation accounts. The related accumulated depreciation accounts with the net difference subtracted from the disposal revenue is recorded as income or loss in the period sold.

Contributions and Promises to Give

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization in substance and are unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated restrictions ends or the purpose of the restriction is accomplished), the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities released from restrictions.

The Organization used the allowance method to determine uncollectable promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. As of December 31, 2021, all promises to give were considered collectible, therefore no allowances were established.

Donated Services and In-Kind Contributions

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, various committee assignments and fundraising services throughout the year. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills that are performed by individuals processing those skills and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. Non-cash donations are recorded as in-kind contributions at their estimated fair value at the date of the donation.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and activities. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several activities are allocated based on various relationships.

Grant and Contract Revenue and Support

The Organization received funding from government agencies. Any of the funding sources may, at its discretion, request reimbursement of expenses, return of funds or both as a result of non-compliance by the Organization with the terms of the grants or contracts.

Income Taxes

The Organization is exempt from income tax under 501(c)(3) of the Internal Revenue Code as a not-for-profit corporation. The tax reform act of 1969 imposed a corporate income tax on the “unrelated business income” of an otherwise tax-exempted organization. No provision has been made for income taxes in the accompanying financial statements since the Organization has no unrelated business income.

Use of 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 assumptions that affect the reported amounts of assets and liabilities. In addition, management is also required to make estimates regarding disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in preparation of the financial statements for continued reasonableness. Appropriate adjustments to the estimates used are made prospectively based upon such periodic evaluation. It is reasonable that possible changes may occur in the near term that would affect management’s estimates with accrued expenses.

Concentration of Credit Risk

The Organization maintains its cash in a financial institution – a national bank. The balance is insured by the Federal Deposit Insurance Corporation for up to \$250,000.00. During the year ending on December 31, 2021, the Organization had no uninsured cash balances.

Donated Materials, Services and Facilities

The Organizations receives materials, services, and facilities for use in its programs and supporting services. During the year ending on December 31, 2021, the Organization received donated materials, services, and facilities valued at:

Revenue and Support

\$272,972.00

Expenses

\$248,272.00

The Organization also receives a significant amount of donated services from volunteers who assist in fundraising and special projects. For the year ending on December 31, 2021, the Organization received an estimated 43,750 volunteer hours. No amount related to these volunteer hours have been recognized in the statements of activities since these services do not meet the criteria for recognition as contributed services.

Operating Lease

The Organization leases space for the Just Believe Boutique (Thrift Store) and its offices. The lease for the thrift store/office expires on 12/31/2023. The rent expense pursuant to the operating lease was \$24,000.00 in 2021.

Future minimum lease payments under the operating lease as of December 31, 2023, will be \$2,000.00 per month.

Income Taxes

The Organization adopted ASC 740-10 Income Taxes, (formerly Financial Accounting Standards interpretation NO. 48, Accounting for Uncertainty in Income Taxes – interpretation of FASB Statement No. 109.) ASC 740-10 is intended to substantially reduce tax benefits (e.g., deductions, credits) from uncertainty in accounting for income tax positions. It prescribes under a two-step approach (i.e., recognition under the more-likely-than-not threshold and measurement under the cumulative probability) that attributes for a tax position taken or expected to be taken in the tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

For federal purposes, the Organization has chosen to be treated as a Corporation operating as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Section 501(c)(3) allows an Organization to operate with a status that makes them exempt from federal income tax as a charitable organization. Accordingly, no provision for federal or state income tax was reflected in the accompanying financial statements.

As of December 31, 2021, the Organization has no liability for unrecognized income tax and does not anticipate any increase in the liability for unrecognized tax during the next twelve months. The Organization believes that its income tax position would be sustained upon examination and does not anticipate any adjustments that would result in a material change to its financial position or results of operations. Federal income tax returns remain open for examination by U.S. tax authorities for the years 2020 and 2021. State income tax returns remain open for examination by tax authorities for the years 2020 and 2021. The Organization is currently not under any federal or state income tax examination.

Compensated Absences

Compensated absences for sick pay and personal time do not accumulate and carry over to the next year. If the personal leave that is accrued is not used by the end of the year it is forfeited. Accordingly, no provision for such liability is necessary.



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INDEPENDENT AUDITORS' 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
Just Believe Inc.
Toms River, New Jersey

We have audited the Organization's financial statements in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Just Believe Inc. (the "Organization"), a nonprofit organization which comprises of the statement of financial position as of December 31, 2021, the related statement of activities, functional expenses and cash flows for the year then ended. We have also considered the related notes to financial statements and have issued our report thereon dated June 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements we considered the Organization's internal controls over financial reporting ("internal controls") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the effectiveness of the Organization's internal controls.

A deficiency in internal controls 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, detect or correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in the internal controls such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, detected, or corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in the internal controls that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. We also performed tests regarding noncompliance with which would have a direct and material effect on the determination of financial statement amounts. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is to describe the scope of our testing of internal controls and compliance with the results of that testing. This report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the Organization's internal control and compliance.

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