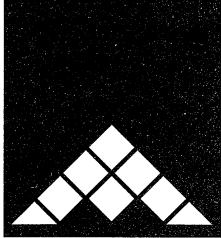


**JUST FOOD, INC.  
FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
DECEMBER 31, 2011**



Adeptus

Adeptus Partners, LLC

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## Independent Auditor's Report

### **Board of Directors Just Food, Inc.**

We have audited the accompanying statement of financial position of Just Food, Inc. as of December 31, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Just Food, Inc. as of December 31, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America..

**ADEPTUS PARTNERS, LLC**

New York, NY

April 30, 2012

Offices:

New York City

Long Island

New Jersey

**JUST FOOD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2011**

**ASSETS**

Cash	\$ 897,871
Investments	3,477
Accounts receivable	8,254
Grants receivable	25,000
Other assets	9,088
Property and equipment, net	<u>2,754</u>
 Total assets	 <u>\$ 946,444</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 19,684
Hurricane Relief Fund	<u>42,329</u>
 Total liabilities	 62,013
 Net assets	
Unrestricted	856,978
Temporarily restricted	<u>27,453</u>
 Total net assets	 <u>884,431</u>
 Total liabilities and net assets	 <u>\$ 946,444</u>

See accompanying notes to financial statements

**JUST FOOD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Foundation grants	\$ 515,246	\$ 50,250	\$ 565,496
Corporate grants and other support	184,730		184,730
Government grants	339,899		339,899
Individual Donations	47,777		47,777
Conference fees	82,964		82,964
Special events	124,556		124,556
Training, classes, workshops	50,508		50,508
Donated services	55,000		55,000
Investment income	2,651		2,651
Total revenues	<u>1,403,331</u>	<u>50,250</u>	<u>1,453,581</u>
Net assets released from restrictions	<u>37,747</u>	<u>(37,747)</u>	<u>-</u>
Total Revenue and Support	<u>1,441,078</u>	<u>12,503</u>	<u>1,453,581</u>
<b>Expenses</b>			
Program services			
CSA in NYC	129,815		129,815
City Farms	157,480	-	157,480
Community Food Education	73,972	-	73,972
Food Justice	78,185	-	78,185
Fresh Food For All	132,985		132,985
Farm School NYC	160,171		160,171
VISTA	5,252		5,252
NESA WG	144,394		144,394
Total program services	<u>882,254</u>	<u>-</u>	<u>882,254</u>
Support Services			
General and administrative	177,964	-	177,964
Fundraising	106,550		106,550
Total expenses	<u>1,166,768</u>	<u>-</u>	<u>1,166,768</u>
<b>Change in net assets</b>	274,310	12,503	286,813
<b>Net Assets- Beginning of Year</b>	<u>582,668</u>	<u>14,950</u>	<u>597,618</u>
<b>Net Assets - End of Year</b>	<u>\$ 856,978</u>	<u>\$ 27,453</u>	<u>\$ 884,431</u>

See accompanying notes to financial statements

**JUST FOOD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>TOTAL EXPENSES</b>
Salaries	\$ 488,085	\$ 36,473	\$ 30,903	\$ 555,461
Payroll taxes and benefits	100,817	7,533	6,383	114,733
Rent, utilities and maintenance		34,931		34,931
Accounting and bookkeeping		25,189		25,189
Consultants and subcontractors	83,454	18,917		102,371
Payroll service		22,227		22,227
Insurance		2,382		2,382
Printing and other office expenses	29,200	15,388	9,974	54,562
Travel, conferences and events	82,336	1,061	58,254	141,651
Supplies and other expenses	98,362	9,669	1,036	109,067
Interest and finance charges		3,505		3,505
Depreciation		689		689
<b>Total expenses</b>	<b>\$ 882,254</b>	<b>\$ 177,964</b>	<b>\$ 106,550</b>	<b>\$ 1,166,768</b>

See accompanying notes to financial statements

**JUST FOOD, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Cash flows from operating activities**

Change in net assets		\$ 286,813
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:		
Depreciation		689
Changes in operating assets and liabilities		
Decrease in accounts receivable		1,310
Increase in grants receivable		(4,272)
Increase in other assets		(796)
Increase in accounts payable		9,842
Decrease in deferred revenue		(60,000)
Increase in Hurricane Relief Fund		42,329
		275,915
Net cash provided by operating activities		275,915
Cash flows provided by investing activities		
Increase in investments		(1,430)
Increase in property and equipment		(3,443)
		(4,873)
Net cash used by investing activities		(4,873)
<b>Net Increase (decrease) in cash</b>		<b>271,042</b>
<b>Cash, beginning of year</b>		<b>626,829</b>
<b>Cash, end of year</b>		<b>\$ 897,871</b>

See accompanying notes to financial statements

## **JUST FOOD, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

#### **SUMMARY OF ACCOUNTING POLICIES**

##### **Organization**

Just Food, Inc. is committed to the vital task of building a just and sustainable food system for the greater New York City region. Just Food provides regional farmers and food producers, Community Supported Agriculture (CSA) organizers and everyday eaters with the resources and support they need to establish and experience healthy food systems in every neighborhood. Since 1995, Just Food has pioneered the sustainable food programs on which many CSAs, farmers' markets, and farm-to-food pantry programs are built today.

Just Food operates six primary programs: CSA in NYC, City Farms, Community Food Education, Food Justice, Fresh Food for All and Farm School NYC. Just Food is also fiscal sponsor for NESAWG, the Northeast Sustainable Agriculture Working Group. The AmeriCorps VISTA program has been completed.

Since 1996, the Community Supported Agriculture (CSA) program has trained groups to run CSA projects. CSAs buy shares in a farmer's season and in return receive weekly neighborhood deliveries of fresh produce and other locally grown products. In 2011, more than 32,000 New York City residents and 60 regional farmers were connected through 105 CSA groups.

Since 1997, the City Farms program has provided training and technical assistance to community gardeners. In 2010, the program taught 1,100 New Yorkers to grow food. The City Farms Market Network, which in 2011 has grown to include 19 community-run farmers markets, provides access to fresh, local produce to 50,000 low-income New Yorkers.

Since 2006, the Fresh Food for All program has helped food pantries make fresh, nutritious, locally grown food available to families in need. In 2011, the Local Produce Link Model supplied 44 food pantries to serve 55,000 low-income New Yorkers. Just Food also provides farm and food education to food pantry staff, volunteers and clients to create stronger relationships with regional farmers and to empower and encourage clients to use fresh local produce supplied through the program. Also in 2011, through the Direct Purchasing Model, three food pantries provided fresh, locally-grown produce to 6,000 low-income New Yorkers and one service organization provided 35,000 meals with fresh, local vegetables to its clients.

Since 2006, Just Food's Community Food Education program has worked to bridge the gap between access to healthy food and improved nutrition by training Community Chefs and coordinating cooking demonstrations at farmers' markets, food pantries, community gardens, and CSAs. In 2011, over 6,500 New Yorkers learned to cook fresh, local produce to nourish themselves, their families, and their community.

## **JUST FOOD, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

Throughout Just Food's history, the Food Justice program has increased public awareness of farm and food justice issues through newsletters, trainings, workshops, and conferences.

In January 2011, Just Food and its community partners launched Farm School NYC: The New York City School of Urban Agriculture to increase the self-reliance of communities and inspire positive local action around issues of food access and social, economic and racial justice.

Just Food is fiscal sponsor for the Northeast Sustainable Agriculture Working Group (NESAWG). NESAWG's mission is to build a more sustainable, healthy, and equitable food system for the region. NESAWG organizes, supports, and mobilizes a 12 state network of organizations and individuals to ensure the strategic impact of their collective voice as they take action toward common goals. NESAWG's work strengthens and coordinates the work of hundreds of other organizations by building synergy among them and aligning resources to achieve systematic change at all levels.

#### **Basis of Presentation**

Financial statement presentation follows established standards for external financial reporting by not-for-profit organizations. Under these standards, 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.

#### **Restricted and Unrestricted Revenue**

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature or the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

#### **Tax-exempt Status**

The organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.



**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Donated Services**

While the Organization pays for most services requiring specific expertise, it did receive \$55,000 in donated consulting services from Taproot Foundation, which was recorded as both revenue and expense in the accompanying statement of activities.

**Subsequent Events**

For the year ended December 31, 2011, the Organization has evaluated subsequent events for potential recognition or disclosure through April 30, 2012, the date the financial statements were available for issuance.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

**Cash Equivalents**

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

**Concentration of Credit Risk**

The Organization maintains its cash equivalents with two financial institutions. However, deposits at these financial institutions at times exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000, however, no losses have ever been experienced by the Organization on its cash equivalents.

**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Investment Securities**

Investment securities are recorded at fair value. The fair value of equity and debt securities is based on quoted prices of the underlying securities in active markets for identical assets (level 1 inputs). Gains and losses are realized as of the trade date for investments.

**Expense Allocation**

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Property and Equipment**

As of December 31, 2011 property and equipment consists of:

Office equipment	\$ 3,443
Less accumulated depreciation	<u>689</u>
Property and equipment, net	<u>\$ 2,754</u>

**OPERATING LEASE COMMITMENTS**

In July, 2009 the organization moved their operations and entered into a new three year lease for office space. The rent paid in 2011 was \$ 30,398.

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily Restricted Net Assets at December 31, 2011 consists of the following:

Wholesome Wave	\$27,453
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**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

**FAIR VALUE MEASUREMENTS**

The Organization follows disclosure requirements for Fair Value Measurements which applies to all assets and liabilities that are being measured and reported on a fair value basis. The fair value standard requires establishes a framework for measuring the value in accounting principles generally accepted in the United States of America about fair value measurements. This measurement enables the reader of the financial statements to assess inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Fair Value Measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets and liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

Investment securities aggregating \$3,477 at December 31, 2011, have been valued by the Organization using level 1 standards indicated above.

Cash and equivalents, investment securities, prepaid expenses and other assets, as well as all liabilities of a current maturity, approximate fair value due to the short-term nature of these assets and liabilities.