

**JUST FOOD, INC.  
FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
DECEMBER 31, 2013**



Adeptus Partners, LLC  
Accountants | Advisors  
6 East 45th Street  
New York, NY 10017  
Phone: 212.758.8050  
Fax: 212.826.5037  
www.AdeptusCPAs.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Just Food, Inc.

We have audited the accompanying financial statements of Just Food, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013 and the related statements of activities 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 audits. We conducted our audits 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 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 Just Food, Inc. as of December 31, 2013 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.

*ADEPTUS PARTNERS, LLC*

New York, NY  
April 11, 2014

**JUST FOOD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

**ASSETS**

Cash	\$ 990,298
Prepaid expenses and other assets	12,146
Property and equipment, net	<u>1,376</u>
Total assets	<u>\$ 1,003,820</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 7,693
Deferred revenue	<u>112,574</u>
Total liabilities	120,267
Net assets	
Unrestricted	<u>883,553</u>
Total liabilities and net assets	<u>\$ 1,003,820</u>

The accompanying notes are an integral part of these financial statements

**JUST FOOD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Foundation grants	\$ 261,500	\$ -	\$ 261,500
Corporate grants and other support	123,260		123,260
Government grants	363,377		363,377
Individual Donations	47,533		47,533
Conference fees	60,990		60,990
Special events	202,851		202,851
Classes, workshops, farm school	105,859		105,859
Fiscal sponsorship	32,844		32,844
Investment income	1,685		1,685
Total revenues	<u>1,199,899</u>	<u>-</u>	<u>1,199,899</u>
Net assets released from restrictions	<u>11,224</u>	<u>(11,224)</u>	<u>-</u>
Total Revenue and Support	<u>1,211,123</u>	<u>(11,224)</u>	<u>1,199,899</u>
<b>Expenses</b>			
Program services	1,068,360		1,068,360
Fiscal sponsorship	243,538		243,538
General and administrative	134,711		134,711
Fundraising	117,863		117,863
Total expenses	<u>1,564,472</u>	<u>-</u>	<u>1,564,472</u>
<b>Change in net assets</b>	(353,349)	(11,224)	(364,573)
<b>Net Assets- Beginning of Year</b>	<u>1,236,902</u>	<u>11,224</u>	<u>1,248,126</u>
<b>Net Assets - End of Year</b>	<u>\$ 883,553</u>	<u>\$ -</u>	<u>\$ 883,553</u>

The accompanying notes are an integral part of these financial statements

**JUST FOOD, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Cash flows from operating activities**

Change in net assets	\$ (364,573)
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 grants receivable	40,906
Increase in prepaid expenses and other assets	(3,284)
Decrease in accounts payable	(5,170)
Increase in deferred revenue	<u>112,574</u>
Net cash provided by operating activities	<u>(218,858)</u>
<b>Net Decrease in cash</b>	(218,858)
<b>Cash, beginning of year</b>	<u>1,209,156</u>
<b>Cash, end of year</b>	<u><u>\$ 990,298</u></u>

The accompanying notes are an integral part of these financial statements

## **JUST FOOD, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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

##### **Organization**

Just Food's mission is to empower and support community-led projects that increase access to locally and sustainably grown food, especially in underserved New York City neighborhoods. Just Food provides training, technical assistance, and education to community leaders to start Community Supported Agriculture groups (CSA); community-run, urban agriculture-based farmers' markets; urban chicken projects; and farm to food pantry initiatives. Just Food also trains community members to provide education in fundamental cooking and sustainable urban agriculture skills for their neighbors and to advocate to make their corner of New York City a healthier and more sustainable place to live and eat.

Just Food is a pioneer in the food justice and sustainable agriculture field, emphasizing the role of community leadership and ownership of food projects, particularly in low-income communities. Just Food pioneered the CSA model in New York City, and as a result of their advocacy work, changed USDA policy so that food stamps could be used to pay for CSA shares. The Organization's model for community-run farmers' markets changed the landscape of New York City, bringing farmers' markets to low-income communities. Just Food's farm-to-food pantry program was the first of its kind in New York State, connecting local farmers and food pantries and providing fresh produce, as well as cooking and farm education for families in need. In 2011, Just Food launched Farm School NYC, the first professional urban agriculture training program of its kind in the nation.

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.

## JUST FOOD, INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

#### **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.

Unrestricted net assets have no donor-imposed restrictions.

Temporarily restricted net assets have donor-imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose.

Permanently restricted net assets have donor-imposed restrictions that do not expire.

#### **Expiration of Donor-Imposed Restrictions**

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. In addition, the Organization follows the policy of reporting donor-imposed restricted contributions whose restrictions are met within the same fiscal year as unrestricted support.

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

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

#### **Subsequent Events**

For the year ended December 31, 2013, the Organization has evaluated subsequent events for potential recognition or disclosure through April 11, 2014, the date the financial statements were available for issuance.

#### **Revenue Recognition**

Foundation grants and support received by the fiscal sponsorship prior to December 31, 2013 which relate to 2014 expenditures are included in deferred revenue in the accompanying statement of financial position.

**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**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.

**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, 2013 property and equipment consists of:

Office equipment	\$ 3,443
Less accumulated depreciation	<u>2,067</u>
Property and equipment, net	<u><u>\$ 1,376</u></u>





Adeptus Partners, LLC  
Accountants | Advisors  
6 East 45th Street  
New York, NY 10017  
Phone: 212.758.8050  
Fax: 212.826.5037  
www.AdeptusCPAs.com

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Our December 31, 2013 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses 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.

*ADEPTUS PARTNERS, LLC*

New York, NY  
April 11, 2014

**JUST FOOD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Program Services</b>	<b>Fiscal Sponsorship</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>TOTAL EXPENSES</b>
Salaries	\$ 578,583	\$ 109,742	\$ 24,925	\$ 64,421	\$ 777,671
Payroll taxes and benefits	164,428		7,083	18,308	189,819
Rent, utilities and maintenance	31,056		8,693		39,749
Accounting and bookkeeping			29,214		29,214
Consultants and subcontractors	87,816	18,350	3,187		109,353
Payroll service			29,538		29,538
Insurance			6,106		6,106
Printing and other office expenses	34,407		15,179		49,586
Conferences and events	42,293	96,231		34,789	173,313
Stipends	107,999		1,100		109,099
Supplies and other expenses	21,778	19,215	6,178	345	47,516
Interest and finance charges			2,819		2,819
Depreciation			689		689
<b>Total expenses</b>	<b>\$ 1,068,360</b>	<b>\$ 243,538</b>	<b>\$ 134,711</b>	<b>\$ 117,863</b>	<b>\$ 1,564,472</b>

See Independent Auditors' Report on supplementary information