

**JUST FOOD, INC.
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
DECEMBER 31, 2015**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Just Food, Inc.

Report on the Financial Statements

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, 2015 and 2014 and the related statements of activities 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.

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, 2015 and 2014 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.

ADEPTUS PARTNERS, LLC

New York, NY
April 19, 2016

JUST FOOD, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 525,421	\$ 833,662
Accounts receivable	8,767	7,130
Grants receivable	107,332	37,500
Prepaid expenses and other assets	18,476	8,691
Property and equipment, net	<u>-</u>	<u>687</u>
Total Assets	<u>\$ 659,996</u>	<u>\$ 887,670</u>
Liabilities		
Accounts payable and accrued expenses	<u>\$ 3,162</u>	<u>\$ 2,074</u>
Total Liabilities	3,162	2,074
Net Assets		
Unrestricted	568,334	787,263
Temporarily restricted	<u>88,500</u>	<u>98,333</u>
Total Net Assets	<u>656,834</u>	<u>885,596</u>
Total Liabilities and Net Assets	<u>\$ 659,996</u>	<u>\$ 887,670</u>

The accompanying notes are an integral part of these financial statements

JUST FOOD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenues and Support				
Foundation grants	\$ 127,280	\$ 88,500	\$ 215,780	\$ 389,105
Government grants	330,577	-	330,577	178,833
Corporate grants and other support	64,897	-	64,897	130,500
Individual donations	159,433	-	159,433	79,423
Conference fees and special events	297,777	-	297,777	289,534
Classes, workshops, farm school	98,892	-	98,892	64,521
Investment income	1,047	-	1,047	2,818
Net assets released from restrictions	98,333	(98,333)	-	-
			-	
Total Revenues and Support	<u>1,178,236</u>	<u>(9,833)</u>	<u>1,168,403</u>	<u>1,134,734</u>
Expenses				
Program services	873,222	-	873,222	1,014,265
Management and general	127,276	-	127,276	171,147
Fund raising costs	187,157	-	187,157	128,141
			-	
Total Expenses	<u>1,187,655</u>	<u>-</u>	<u>1,187,655</u>	<u>1,313,553</u>
Change in net assets before in-kind donations and fiscal sponsorship	(9,419)	(9,833)	(19,252)	(178,819)
Donated goods, services and use of facilities	1,079,763	-	-	333,474
Donated goods, services and use of facilities	(1,079,763)	-	-	(333,474)
Fiscal sponsorship	(18,498)	-	(18,498)	180,862
Change in net assets	<u>(27,917)</u>	<u>(9,833)</u>	<u>(37,750)</u>	<u>2,043</u>
Net Assets - Beginning of Year	<u>787,263</u>	<u>98,333</u>	<u>885,596</u>	<u>883,553</u>
Transfer of Fiscal Sponsorship	<u>(191,012)</u>	<u>-</u>	<u>(191,012)</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 568,334</u>	<u>\$ 88,500</u>	<u>\$ 656,834</u>	<u>\$ 885,596</u>

The accompanying notes are an integral part of these financial statements.

JUST FOOD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ (37,750)	\$ 2,043
Adjustments to reconcile changes in net assets to net cash provided by operating activities-		
Depreciation	687	689
Change in operating assets and liabilities-		
Accounts receivable	(1,637)	(2,192)
Grants receivable	(69,832)	(37,500)
Prepaid expenses	(9,785)	(1,483)
Accounts payable and accrued expenses	1,088	(5,619)
Deferred revenue	-	(112,574)
Net Cash Provided By Operating Activities	<u>(117,229)</u>	<u>(156,636)</u>
Cash flows used by financing activities		
Transfer of Fiscal Sponsorship	<u>(191,012)</u>	<u>-</u>
Decrease in Cash and Cash Equivalents	(308,241)	(156,636)
Cash and Cash Equivalents - Beginning of Year	<u>833,662</u>	<u>990,298</u>
Cash and Cash Equivalents - End of Year	<u>\$ 525,421</u>	<u>\$ 833,662</u>

The accompanying notes are an integral part of these financial statements.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Organization

Just Food is a 501(c)(3) nonprofit organization that supports community leaders in their efforts to advocate for and increase access to healthy, locally grown food, especially in underserved New York City neighborhoods. A pioneer in food justice and sustainable agriculture since 1995, Just Food emphasizes the role of community leadership and ownership of food projects, particularly in low-income communities.

Just Food provides training and resources to community members so they can launch projects like farmers' markets and community supported agriculture (CSA) groups, educate their neighbors in fundamental cooking and urban farming skills, and advocate to make their corner of NYC a healthier place to live and eat.

Each year, nearly a quarter million New Yorkers access fresh food in their neighborhood through Just Food's network of community food projects.

2015 Impact

- Just Food's network of CSAs provided fresh, locally-grown food to approximately 51,600 New Yorkers at 129 sites throughout the five boroughs, generating more than \$8 million in revenue for regional vegetable farms.
- Just Food trained five new community-led farmers' markets, bringing the total number of Just Food network markets serving low-income neighborhoods to 27. These markets served more than 100,000 New Yorkers.
- Just Food's urban agriculture program increased the capacity of community members to grow food in their own neighborhoods by offering 41 workshops—on topics ranging from seed saving to composting, to chicken care—at community gardens for more than 500 New Yorkers.
- Community Chefs trained through Just Food's food education program conducted 263 cooking demonstrations at farmers' markets, community gardens and food pantries, teaching more than 7,200 community members simple, healthy cooking techniques and recipes featuring seasonal produce.
- Just Food's farm-to-food pantry program facilitated the purchase of more than 260,000 pounds of fresh, locally-grown produce for 48 food pantries throughout New York City, providing 70,000 New Yorkers in need with improved access to healthy food.
- Just Food's advocacy program continued to build public awareness on farm and food justice issues at the local, regional and national levels. We educate New Yorkers about food and farm policy issues through our annual conference, monthly newsletter (10,000+ subscribers) and social media platforms (49,200 Twitter followers, 12,200 Facebook fans, and 2,600 Instagram followers). In March, we hosted the Just Food 2015 Conference, which attracted more than 800 community organizers, CSA members, local food advocates, elected officials, urban and rural farmers and entrepreneurs.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Just Food also served as the fiscal sponsor for the Northeast Sustainable Agriculture Working Group (NESAWG) until March 31, 2015, when fiscal sponsorship was transferred to the Tides Center.

Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Asset Classification

The Organization reports information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted and unrestricted.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Organization to use all or part of the income earned on these assets for either specified or unspecified purposes. As of December 31, 2015 and 2014, the Organization does not have any permanently restricted net assets.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or expenditures that meet the donor-specified purpose.

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions and such restrictions are not met within the same calendar year. Expenses are reported as decreases in unrestricted net assets. Gains and losses on unrestricted investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as a reclassification between the applicable classes of 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.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Tax-exempt Status

The Organization qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and State income taxes. The Organization does not have any unrelated business income and accordingly, does not have any uncertain tax positions.

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, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Cash and 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 balances with two respected financial institutions. However, these deposits at times may 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.

Promises to Give (Pledges)

The estimated net realizable values of unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are stated at cost, or estimated fair market value if donated as a gift. Depreciation is provided over the estimated useful lives of the assets on a straight line basis.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

Subsequent Events

For the fiscal year ended December 31, 2015, the Organization has evaluated subsequent events for potential recognition or disclosure through April 19, 2016, the date the financial statements were available for issuance.

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.

Volunteers

A number of individuals have made significant contributions of time to the Organization's program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and accordingly, is not reflected in the accompanying financial statements.

Reclassifications

Certain reclassifications have been made in the 2014 financial statements in order to conform to the current year's presentation.

Property and Equipment

As of December 31 property and equipment consists of:

	2015	2014
Office equipment	\$ 3,443	\$ 3,443
Less accumulated depreciation	3,443	2,756
Property and equipment, net	<u>\$ -</u>	<u>\$ 687</u>

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

In-Kind Contributions

Those contributions that meet the requirements for recognition under generally accepted accounting principles are recorded as both revenue and expense in the accompanying statement of activities. In 2015 the contributions total of \$1,079,763 was comprised of \$578,035 in subsidized rent and the build out of new office space, \$147,000 in product donations and \$340,103 of pro bono legal and other professional services.

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 and 2014 totaling \$88,500 and \$98,333, respectively, represent time restricted donations that are to be used for support of the Organization's programs.

Net Assets Released From Restrictions

In 2015, \$98,333 in time restricted net assets were released from restrictions.

Lease Commitment

The Organization moved into new office space in Manhattan on July 16, 2015. The lease currently does not have a termination date. The monthly rent expense being paid by the organization is \$1,928. The difference between the fair market value of the rent expense and the actual amount being paid by the organization is included as part of in-kind contributions on the accompanying statement of activities.



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Our December 31, 2015 and 2014 audits were 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 19, 2016

**JUST FOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	General and Administrative	Fundraising	TOTAL EXPENSES	2014 TOTAL
Salaries	\$ 493,659	\$ 35,206	\$ 99,152	\$ 628,017	\$ 719,706
Payroll taxes and benefits	118,457	6,915	24,457	149,829	185,784
Rent, utilities and maintenance	37,832	7,374		45,206	39,525
Accounting and bookkeeping		28,937		28,937	30,630
Consultants and subcontractors	29,441	322		29,763	10,794
Payroll service		22,220		22,220	31,425
Insurance		14,033		14,033	11,476
Printing and other office expenses	22,485	2,723	5,051	30,259	34,753
Conferences and events	18,411		54,724	73,135	83,090
Stipends	69,817			69,817	95,043
Supplies and other expenses	83,120	8,859	3,773	95,752	70,638
Depreciation		687		687	689
Total expenses	\$ 873,222	\$ 127,276	\$ 187,157	\$ 1,187,655	\$ 1,313,553

See independent auditor's report on supplementary information