

**JUST FOOD, INC.  
FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
DECEMBER 31, 2008**



## 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, 2008 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 generally accepted auditing standards. 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, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

KBMG, LLC

KBMG, LLC

April 22, 2009

**JUST FOOD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2008**

**ASSETS**

Cash	\$ 469,877
Accounts receivable	19,224
Fixed assets, net of accumulated depreciation	2,112
Other assets	<u>2,078</u>
 Total assets	 <u>\$ 493,291</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 15,526
Deferred revenue	8,063
Loans payable, current portion	<u>14,010</u>
 Total current liabilities	 37,599
 Long term debt	 <u>6,026</u>
 Total liabilities	 43,625
 Net assets	
Unrestricted	420,254
Temporarily restricted	29,412
 Total net assets	 <u>449,666</u>
 Total liabilities and net assets	 <u>\$ 493,291</u>

See accompanying notes to financial statements.

**JUST FOOD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Foundation grants	\$ 568,598		\$ 568,598
Corporate grants and other support	117,681		117,681
Government grants	232,889		232,889
Individual Donations	98,949		98,949
Conference fees	25,969		25,969
Interest income	3,906		3,906
	<hr/>	<hr/>	<hr/>
Total revenues	1,047,992	-	1,047,992
Net assets released from restrictions	40,930	(40,930)	-
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	1,088,922	(40,930)	1,047,992
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
Program services			
CSA in NYC	92,207		92,207
City Farms	158,956	-	158,956
Community Food Education	84,037	-	84,037
Food Justice	73,479	-	73,479
Fresh Food For All	106,433		106,433
VISTA	39,108		39,108
NESAWG	50,738		50,738
Total program services	604,958	-	604,958
	<hr/>	<hr/>	<hr/>
Support Services			
General and administrative	141,294	-	141,294
Fundraising	18,372		18,372
	<hr/>	<hr/>	<hr/>
Total expenses	764,624	-	764,624
	<hr/>	<hr/>	<hr/>
<b>Change in net assets</b>	324,298	(40,930)	283,368
<b>Net Assets- Beginning of Year</b>	95,956	70,342	166,298
	<hr/>	<hr/>	<hr/>
<b>Net Assets - End of Year</b>	\$ 420,254	\$ 29,412	\$ 449,666
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements

**JUST FOOD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>TOTAL EXPENSES</b>
Salaries	\$ 316,705	\$ 29,214		\$ 345,919
Payroll taxes and benefits	70,124	6,468		76,592
Rent and utilities		35,185		35,185
Accounting and bookkeeping		17,735		17,735
Consultants and subcontractors	26,784			26,784
Payroll service		17,527		17,527
Insurance		3,548		3,548
Printing and other office expenses	6,116	11,487	8,206	25,809
Travel and conferences	39,177	1,170	1,788	42,135
Food purchases	40,150			40,150
Supplies and other expenses	101,511	13,555	8,378	123,444
Interest		1,183		1,183
Telephone	4,391	1,453		5,844
Depreciation		2,769		2,769
Total expenses	<u>\$ 604,958</u>	<u>\$ 141,294</u>	<u>\$ 18,372</u>	<u>\$ 764,624</u>

See accompanying notes to financial statements.

**JUST FOOD, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Cash flows from operating activities**

Change in net assets	\$ 283,368
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:	
Depreciation	2,769
Changes in operating assets and liabilities	
(Increase) Decrease in accounts receivable	(11,404)
(Increase) Decrease in grants receivable	41,201
(Increase) Decrease in other assets	(159)
Increase (Decrease) in accounts payable	863
Increase (Decrease) in deferred revenue	<u>(74,854)</u>
Net cash provided by operating activities	<u>241,784</u>
Cash flows provided by financing activities	
Increase (Decrease) in loans payable	<u>(14,646)</u>
<b>Net Increase (decrease) in cash</b>	227,138
<b>Cash, beginning of year</b>	<u>242,739</u>
<b>Cash, end of year</b>	<u><u>\$ 469,877</u></u>

See accompanying notes to financial statements.

# JUST FOOD, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

### SUMMARY OF ACCOUNTING POLICIES

#### Organization

Just Food, Inc. is a non-profit organization which works to develop a just and sustainable food system in the New York City region. Just Food makes fresh, locally grown food available and accessible to all New Yorkers by connecting New York City residents, urban gardeners, and rural farmers. Through workshops, hands-on trainings, cooking demonstrations and a commitment to food justice advocacy, Just Food increases public awareness about the connections between healthy communities, healthy food, healthy farms, and a healthy environment.

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

CSA (Community Supported Agriculture) in NYC helps to support family farms that are struggling to stay in business, while providing city folks, particularly in low-income neighborhoods, with access to good, affordable produce.

Just Food's City Farms program works to increase food production, marketing and distribution via community gardens and urban farms throughout NYC.

The Community Food education program offers Community Chef training and sponsors cooking demonstrations at CSA distributions, City Farm Markets, and food pantries where fresh local food is distributed.

Fresh Food for All is Just Food's farm to food pantry program, which connects more than 30 food pantries and soup kitchens throughout the five boroughs with fresh, nutritious, locally grown food, cooking demonstrations, and educational activities and tours to connect clients with local farms.

VISTA recruits and places outstanding volunteers in fulltime, one year positions with Just Food or its partner organizations to engage in anti-hunger, anti-poverty program building.

Through a Food Justice program Just Food advocates for improved farm and food policy through education, outreach and advocacy activities at the local, state and national level. The Food Justice program also hosts conferences and organizes summits to foster learning and networking opportunities for New York City communities, thereby helping to build the community food security / food justice movement.

**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

**Donated Services**

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs. The Organization also receives a substantial amount of donated services from AmeriCorps\*VISTA.

**Furniture and Equipment**

Furniture and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.



**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**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**

Cash equivalents are short - term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity (three months or less) that they present insignificant risk of changes in value because of changes in interest rates.

**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, 2008 property and equipment consist of the following:

Office equipment	\$20,248
Accumulated depreciation	<u>18,136</u>
	<u>\$ 2,112</u>

**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**OPERATING LEASE COMMITMENTS**

On July 1, 2005 the organization moved their operations and entered into a new three year lease for office space. The term of the lease has been extended through June 30, 2009. The total rent and utilities paid in 2008 under the new lease was \$35,185.

**LOANS PAYABLE**

In June, 2005 the organization signed a \$54,000 note payable with Equity Trust. The loan runs through July, 2010. The total monthly payment of principal and interest is \$1,019. The balance due on the loan at December 31, 2008 is \$17,636, of which \$11,610 has been classified as current and the balance as long-term debt. Also included in loans payable is a loan made to the organization by a board member. The loan is a short term non interest bearing loan for \$25,000 which was used for operations. The balance due on the loan at December 31, 2008 was \$2,400.

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily Restricted Net Assets at December 31, 2008 consists of the following:

Heifer International	\$24,418
Project For Public Spaces	<u>4,994</u>
Total	<u>\$29,412</u>