

**JUST FOOD, INC.
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
DECEMBER 31, 2009**



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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, 2009 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, 2009 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..

KBMG, LLC

KBMG, LLC

April 19, 2010

JUST FOOD, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

Cash	\$ 598,108
Investments	1,061
Accounts receivable	15,940
Fixed assets, net of accumulated depreciation	2,006
Other assets	<u>2,446</u>
 Total assets	 <u><u>\$ 619,561</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 13,654
Deferred revenue	120,000
Loans payable	<u>6,026</u>
 Total liabilities	 139,680
 Net assets	
Unrestricted	468,774
Temporarily restricted	<u>11,107</u>
 Total net assets	 <u>479,881</u>
 Total liabilities and net assets	 <u><u>\$ 619,561</u></u>

See accompanying notes to financial statements.

JUST FOOD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Foundation grants	\$ 320,603		\$ 320,603
Corporate grants and other support	151,072		151,072
Government grants	245,320		245,320
Individual Donations	74,134		74,134
Conference fees	65,735		65,735
Interest income	4,172		4,172
	<hr/>	<hr/>	<hr/>
Total revenues	861,036	-	861,036
Net assets released from restrictions	18,305	(18,305)	-
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	879,341	(18,305)	861,036
	<hr/>	<hr/>	<hr/>
Expenses			
Program services			
CSA in NYC	104,649		104,649
City Farms	158,996	-	158,996
Community Food Education	82,186	-	82,186
Food Justice	72,205	-	72,205
Fresh Food For All	113,217		113,217
VISTA	28,784		28,784
NESAWG	82,900		82,900
Total program services	642,937	-	642,937
	<hr/>	<hr/>	<hr/>
Support Services			
General and administrative	159,459	-	159,459
Fundraising	28,425		28,425
	<hr/>	<hr/>	<hr/>
Total expenses	830,821	-	830,821
	<hr/>	<hr/>	<hr/>
Change in net assets	48,520	(18,305)	30,215
Net Assets- Beginning of Year	420,254	29,412	449,666
	<hr/>	<hr/>	<hr/>
Net Assets - End of Year	<u>\$ 468,774</u>	<u>\$ 11,107</u>	<u>\$ 479,881</u>

See accompanying notes to financial statements

JUST FOOD
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Services	General and Administrative	Fundraising	TOTAL EXPENSES
Salaries	\$ 349,113	\$ 33,752		\$ 382,865
Payroll taxes and benefits	77,437	11,338		88,775
Rent, utilities and maintenance		40,848		40,848
Accounting and bookkeeping		16,773		16,773
Consultants and subcontractors	18,450	6,566		25,016
Payroll service		18,039		18,039
Insurance		2,811	263	3,074
Printing and other office expenses	9,949	12,558	5,057	27,564
Travel, conferences and events	33,452		23,105	56,557
Food purchases	23,570			23,570
Supplies and other expenses	125,912	9,503		135,415
Interest		2,830		2,830
Telephone	5,054	1,672		6,726
Depreciation		2,769		2,769
Total expenses	<u>\$ 642,937</u>	<u>\$ 159,459</u>	<u>\$ 28,425</u>	<u>\$ 830,821</u>

See accompanying notes to financial statements.

JUST FOOD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

Cash flows from operating activities

Change in net assets	\$ 30,215
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	3,284
(Increase) Decrease in other assets	(368)
Increase (Decrease) in accounts payable	(1,872)
Increase (Decrease) in deferred revenue	<u>111,937</u>
Net cash provided by operating activities	<u>145,965</u>
Cash flows provided by investing activities	
(Increase) Decrease in fixed assets	(2,663)
(Increase) Decrease in investments	(1,061)
Net cash used by investing activities	(3,724)
Cash flows provided by financing activities	
Increase (Decrease) in loans payable	<u>(14,010)</u>
Net cash used by financing activities	(14,010)
Net Increase (decrease) in cash	128,231
Cash, beginning of year	<u>469,877</u>
Cash, end of year	<u><u>\$ 598,108</u></u>

See accompanying notes to financial statements.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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, 2009

SUMMARY OF ACCOUNTING POLICIES - CONTINUED

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.

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.

Subsequent Events

For the year ended December 31, 2009, the Organization has evaluated subsequent events for potential recognition or disclosure through April 19, 2010, the date the financial statements were available for issuance.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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.

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. 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, 2009 property and equipment consists of the following:

Office equipment	\$ 22,911
Accumulated depreciation	20,905
	<u>\$ 2,006</u>

JUST FOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

OPERATING LEASE COMMITMENTS

In July, 2009 the organization moved their operations and entered into a new three year lease for office space. The annual rent for each of the three years is \$ 34,396.

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, 2009 is \$ 6,026 all of which will be paid in full in 2010.

TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets at December 31, 2009 consists of the following:

Heifer International	\$11,107
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