

**JUST FOOD, INC.  
FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
DECEMBER 31, 2010**



## **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, 2010 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, 2010 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

March 28, 2011

**JUST FOOD, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

**ASSETS**

Cash	\$ 626,829
Investments	2,047
Accounts receivable	9,564
Grants receivable	20,728
Other assets	<u>8,292</u>
 Total assets	 <u>\$ 667,460</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 9,842
Deferred revenue	<u>60,000</u>
 Total liabilities	 69,842
 Net assets	
Unrestricted	582,668
Temporarily restricted	<u>14,950</u>
 Total net assets	 <u>597,618</u>
 Total liabilities and net assets	 <u>\$ 667,460</u>

See accompanying notes to financial statements.

**JUST FOOD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues</b>			
Foundation grants	\$ 421,862	\$ 45,000	\$ 466,862
Corporate grants and other support	96,139		96,139
Government grants	249,589		249,589
Individual Donations	18,787		18,787
Conference fees	62,877		62,877
Special events	159,887		159,887
In-kind contributions	9,692		9,692
Investment income	3,719		3,719
	<hr/>	<hr/>	<hr/>
Total revenues	1,022,552	45,000	1,067,552
Net assets released from restrictions	41,157	(41,157)	-
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	1,063,709	3,843	1,067,552
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
Program services			
CSA in NYC	127,285		127,285
City Farms	166,531	-	166,531
Community Food Education	85,781	-	85,781
Food Justice	78,547	-	78,547
Fresh Food For All	129,411		129,411
VISTA	16,514		16,514
NESAWG	115,015		115,015
Total program services	719,084	-	719,084
	<hr/>	<hr/>	<hr/>
Support Services			
General and administrative	139,786	-	139,786
Fundraising	90,945		90,945
	<hr/>	<hr/>	<hr/>
Total expenses	949,815	-	949,815
	<hr/>	<hr/>	<hr/>
Change in net assets	113,894	3,843	117,737
Net Assets- Beginning of Year	468,774	11,107	479,881
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Net Assets - End of Year	\$ 582,668	\$ 14,950	\$ 597,618
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See accompanying notes to financial statements

**JUST FOOD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>TOTAL EXPENSES</b>
Salaries	\$ 403,735	\$ 28,374		\$ 432,109
Payroll taxes and benefits	86,779	9,531		96,310
Rent, utilities and maintenance		37,262		37,262
Accounting and bookkeeping		23,877		23,877
Consultants and subcontractors	30,323			30,323
Payroll service		18,080		18,080
Insurance		1,987		1,987
Printing and other office expenses	9,550	12,054	4,854	26,458
Travel, conferences and events	93,423		86,091	179,514
Supplies and other expenses	95,274	5,112		100,386
Interest		1,503		1,503
Depreciation		2,006		2,006
<b>Total expenses</b>	<b>\$ 719,084</b>	<b>\$ 139,786</b>	<b>\$ 90,945</b>	<b>\$ 949,815</b>

See accompanying notes to financial statements.

**JUST FOOD, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**Cash flows from operating activities**

Change in net assets	\$ 117,737
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:	
Depreciation	2,006
Changes in operating assets and liabilities	
(Increase) Decrease in accounts receivable	6,376
(Increase) Decrease in grants receivable	(20,728)
(Increase) Decrease in other assets	(5,846)
Increase (Decrease) in accounts payable	(3,812)
Increase (Decrease) in deferred revenue	<u>(60,000)</u>
Net cash provided by operating activities	<u>35,733</u>
Cash flows provided by investing activities	
(Increase) Decrease in investments	(986)
Net cash used by investing activities	(986)
Cash flows provided by financing activities	
Increase (Decrease) in loans payable	<u>(6,026)</u>
Net cash used by financing activities	(6,026)
<b>Net Increase (decrease) in cash</b>	28,721
<b>Cash, beginning of year</b>	<u>598,108</u>
<b>Cash, end of year</b>	<u><u>\$ 626,829</u></u>

See accompanying notes to financial statements.

## JUST FOOD, INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

#### 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, 2010**

**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, 2010, the Organization has evaluated subsequent events for potential recognition or disclosure through March 28, 2011, the date the financial statements were available for issuance.



**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**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.

Investments are exposed to various risks, such as interest rates, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is reasonably possible that changes in the value of one or more of such investments in the near term could materially affect the amounts reported in the statement of financial position and the statement of activities.

**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, 2010 property and equipment were fully depreciated.

**JUST FOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**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.

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily Restricted Net Assets at December 31, 2010 consists of the following:

Wholesome Wave	\$9,950
Hyde and Watson Foundation	<u>5,000</u>
Total	<u>\$14,950</u>

**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 2010 the organization received in-kind contributions related to donated items for a silent auction in the amount of \$ 9,692.