

**JUST FOOD, INC.
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
DECEMBER 31, 2014**



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INDEPENDENT AUDITOR'S 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, 2014 and 2013 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, 2014 and 2013 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
May 9, 2015

JUST FOOD, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 833,662	\$ 990,298
Accounts receivable	7,130	4,938
Grants receivable	37,500	-
Prepaid expenses and other assets	8,691	7,208
Property and equipment, net	<u>687</u>	<u>1,376</u>
Total Assets	<u>\$ 887,670</u>	<u>\$ 1,003,820</u>
Liabilities		
Accounts payable and accrued expenses	\$ 2,074	\$ 7,693
Deferred revenue	<u>-</u>	<u>112,574</u>
Total Liabilities	2,074	120,267
Net Assets		
Unrestricted	787,263	883,553
Temporarily restricted	<u>98,333</u>	<u>-</u>
Total Net Assets	<u>885,596</u>	<u>883,553</u>
Total Liabilities and Net Assets	<u>\$ 887,670</u>	<u>\$ 1,003,820</u>

The accompanying notes are an integral part of these financial statements

JUST FOOD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Revenues and Support				
Foundation grants	\$ 290,772	\$ 98,333	\$ 389,105	\$ 261,500
Government grants	178,833		178,833	363,377
Corporate grants and other support	130,500		130,500	123,260
Individual donations	79,423		79,423	47,533
Conference fees	43,668		43,668	60,990
Special events	245,866		245,866	202,851
Classes, workshops, farm school	64,521		64,521	105,859
Fiscal sponsorship	485,987		485,987	32,844
Investment income	2,818		2,818	1,685
	<u>1,522,388</u>	<u>98,333</u>	<u>1,620,721</u>	<u>1,199,899</u>
Expenses				
Program services	1,014,265		1,014,265	1,068,360
Management and general	171,147		171,147	134,711
Fund raising costs	128,141		128,141	117,863
Fiscal sponsorship	305,125		305,125	243,538
	<u>1,618,678</u>		<u>1,618,678</u>	<u>1,564,472</u>
Change in net assets before in-kind donations	(96,290)	98,333	2,043	(364,573)
Donated goods, services and use of facilities	333,474			
Donated goods, services and use of facilities	<u>(333,474)</u>			
Change in net assets	(96,290)	98,333	2,043	(364,573)
Net Assets - Beginning of Year	<u>883,553</u>	<u>-</u>	<u>883,553</u>	<u>1,248,126</u>
Net Assets - End of Year	<u>\$ 787,263</u>	<u>\$ 98,333</u>	<u>\$ 885,596</u>	<u>\$ 883,553</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ 2,043	\$ (364,573)
Adjustments to reconcile changes in net assets to net cash provided by operating activities-		
Depreciation	689	689
Change in operating assets and liabilities-		
Accounts receivable	(2,192)	15,968
Grants receivable	(37,500)	20,000
Prepaid expenses	(1,483)	1,654
Accounts payable and accrued expenses	(5,619)	(5,170)
Deferred revenue	<u>(112,574)</u>	<u>112,574</u>
Net Cash Provided By Operating Activities	<u>(156,636)</u>	<u>(218,858)</u>
Decrease in Cash and Cash Equivalents	(156,636)	(218,858)
Cash and Cash Equivalents - Beginning of Year	<u>990,298</u>	<u>1,209,156</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 833,662</u></u>	<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, 2014

Organization

Just Food is a 501(c)(3) nonprofit organization that works with community leaders to make healthy, local food available, especially in underserved New York City neighborhoods. A pioneer in food justice and sustainable agriculture, Just Food emphasizes the role of community leadership and ownership of food projects, particularly in low-income communities. By training and supporting New Yorkers to start community-led projects, we've been advancing this vision since 1995.

Just Food provides training, technical assistance, and education to community-based organizations and community leaders to start and sustain healthy food access projects, including community-run, urban agriculture-based farmers' markets; community supported agriculture (CSA) groups; 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, more just, and more sustainable place to live and eat.

2014 Impact

- The CSA program provided fresh, locally-grown food to approximately 43,200 New Yorkers at 111 sites throughout the five boroughs. The Just Food CSA Network also generated more than \$7 million in revenue for 29 regional vegetable farms.
- Five new community-run farmers' markets joined our market network, bringing the total number of markets serving low-income neighborhoods to 27. These markets served over 50,000 low-income New Yorkers.
- Just Food's urban agriculture program increased the capacity of community members to grow food in their own neighborhoods by offering 43 workshops at community gardens. Nearly 1,000 New Yorkers attended workshops on topics ranging from seed starting to composting to season extension.
- Community Chefs trained through the food education program conducted 142 cooking demonstrations at farmers' markets, community gardens, and food pantries, teaching more than 6,600 community members simple, healthy recipes featuring seasonal produce.
- Our farm-to-food pantry program facilitated the purchase of close to 250,000 pounds of fresh, locally-grown produce for 49 food pantries and soup kitchens throughout New York City. Over 70,000 New Yorkers in need benefited from improved access to healthy food.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

- In 2014, Farm School NYC offered 12 courses in sustainable urban agriculture and social justice. Forty-seven students enrolled, including first year students taking core courses and second year certificate students taking advanced courses and participating in urban agriculture apprenticeships. Five certificate students graduated this year.
- Our 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 (39,000+ Twitter followers and 10,000+ Facebook fans). In April, we hosted the two-day Just Food 2014 Conference, which attracted more than 1,000 participants.

Just Food also served as a fiscal sponsor for the Northeast Sustainable Agriculture Working Group (NESAWG) in 2014. NESAWG's mission is to build a more sustainable, healthy, and equitable food system for the region. NESAWG organizes, supports, and mobilizes a twelve-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.

As of March 31, 2015 Just Food had transferred fiscal sponsorship of NESAWG 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, 2014 and 2013, 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.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

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.

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.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

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 at 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.

Subsequent Events

For the fiscal year ended December 31, 2014, the Organization has evaluated subsequent events for potential recognition or disclosure through May 9, 2015, 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.

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 2013 statement of financial position.

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.

JUST FOOD, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

Property and Equipment

As of December 31, 2014 property and equipment consists of:

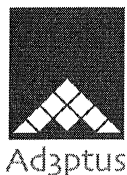
Office equipment	\$ 3,443
Less accumulated depreciation	<u>2,756</u>
Property and equipment, net	<u>\$ 687</u>

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 2014 the contributions total of \$333,474 was comprised of \$282,697 in subsidized rent, \$30,777 in food donated by farmers that are a part of the Organization's pantry program and \$20,000 of pro bono design work.

Temporarily Restricted Net Assets

Temporarily restricted net assets of \$98,333 at December 31, 2014 represent time restricted donations that are to be used for general support of the Organization.



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Our December 31, 2014 and 2013 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
May 9, 2015

**JUST FOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services	General and administrative	Fundraising	Fiscal Sponsorship	TOTAL EXPENSES	2013 TOTAL
Salaries	\$ 619,503	\$ 46,142	\$ 54,061	\$ 142,441	\$ 862,147	\$ 777,671
Payroll taxes and benefits	159,917	11,911	13,956	-	185,784	189,819
Rent, utilities and maintenance	30,881	8,644	-	-	39,525	39,749
Accounting and bookkeeping	-	30,630	-	-	30,630	29,214
Consultants and subcontractors	1,850	8,944	-	86,195	96,989	109,353
Payroll service	-	31,425	-	-	31,425	29,538
Insurance	-	11,476	-	-	11,476	6,106
Printing and other office expenses	17,178	8,749	8,826	-	34,753	49,586
Conferences and events	32,131	-	50,959	56,853	139,943	173,313
Stipends	95,043	-	-	-	95,043	109,099
Supplies and other expenses	57,762	8,490	339	19,636	86,227	47,516
Interest and finance charges	-	4,047	-	-	4,047	2,819
Depreciation	-	689	-	-	689	689
Total expenses	\$ 1,014,265	\$ 171,147	\$ 128,141	\$ 305,125	\$ 1,618,678	\$ 1,564,472

See independent auditor's report on supplementary information