

# **JUST HARVEST – A CENTER FOR ACTION AGAINST HUNGER**

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FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**JUST HARVEST – A CENTER FOR  
ACTION AGAINST HUNGER**  
PITTSBURGH, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT BY  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEARS ENDED  
DECEMBER 31, 2016 AND 2015**

**JUST HARVEST – A CENTER FOR ACTION AGAINST HUNGER**

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**Board of Directors  
Just Harvest – A Center for Action Against Hunger**

**Independent Auditor's Report**

**Report on Financial Statements**

I have audited the accompanying financial statements of Just Harvest – A Center for Action Against Hunger (a nonprofit organization) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Just Harvest – A Center for Action Against Hunger's basic financial statements as listed in the table of contents. The financial statements of Just Harvest – A Center for Action Against Hunger as of December 31, 2015 and for the year then ended were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated July 3, 2017.

**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**

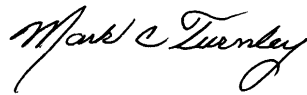
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Just Harvest – A Center for Action Against Hunger'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 Just Harvest – A Center for Action Against Hunger's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Just Harvest – A Center for Action Against Hunger as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Mark C. Turnley  
Certified Public Accountant

June 4, 2018  
New Brighton, Pennsylvania

**JUST HARVEST - A CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31,**

| <b><u>ASSETS</u></b>                         | <b><u>2016</u></b>      | <b><u>2015</u></b>      |
|----------------------------------------------|-------------------------|-------------------------|
| <b><u>CURRENT ASSETS</u></b>                 |                         |                         |
| Cash and Cash Equivalents                    | \$ 51,396               | \$ 41,750               |
| <b>TOTAL CURRENT ASSETS</b>                  | <b><u>\$ 51,396</u></b> | <b><u>\$ 41,750</u></b> |
| <b><u>FIXED ASSETS</u></b>                   |                         |                         |
| Equipment                                    | \$ 1,000                | \$ 1,000                |
| Less: Accumulated Depreciation               | (650)                   | (450)                   |
| <b>TOTAL FIXED ASSETS (NET)</b>              | <b><u>\$ 350</u></b>    | <b><u>\$ 550</u></b>    |
| <b>TOTAL ASSETS</b>                          | <b><u>\$ 51,746</u></b> | <b><u>\$ 42,300</u></b> |
| <br><b><u>LIABILITIES AND NET ASSETS</u></b> |                         |                         |
| <b><u>CURRENT LIABILITIES</u></b>            |                         |                         |
| Payroll Liabilities                          | \$ 46,235               | \$ 31,280               |
| <b>TOTAL CURRENT LIABILITIES</b>             | <b><u>\$ 46,235</u></b> | <b><u>\$ 31,280</u></b> |
| <b><u>NET ASSETS</u></b>                     |                         |                         |
| Unrestricted                                 | \$ 5,511                | \$ 11,020               |
| <b>TOTAL NET ASSETS</b>                      | <b><u>\$ 5,511</u></b>  | <b><u>\$ 11,020</u></b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>      | <b><u>\$ 51,746</u></b> | <b><u>\$ 42,300</u></b> |

The accompanying notes are an integral part of these financial statements

**JUST HARVEST - A CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                                      | <b><u>UNRESTRICTED</u></b> |
|------------------------------------------------------|----------------------------|
| <b><u>REVENUE AND OTHER SUPPORT:</u></b>             |                            |
| Contributions                                        | \$ 12,765                  |
| Dues                                                 | 35,822                     |
| Special Events (Net of Related Expenses of \$17,001) | 37,611                     |
| Miscellaneous Revenue                                | 1,603                      |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b>               | <b><u>\$ 87,801</u></b>    |
| <br><b><u>EXPENSES</u></b>                           |                            |
| Program Services                                     | \$ 66,821                  |
| Management and General                               | 16,657                     |
| Fundraising                                          | 9,832                      |
| <b>TOTAL PROGRAM EXPENSES</b>                        | <b><u>\$ 93,310</u></b>    |
| <br><b>CHANGE IN NET ASSETS</b>                      | <br><b>\$ (5,509)</b>      |
| <br>NET ASSETS - JANUARY 1, 2016                     | <br><u>11,020</u>          |
| <br><b>NET ASSETS - DECEMBER 31, 2016</b>            | <br><b><u>\$ 5,511</u></b> |

The accompanying notes are an integral part of these financial statements

**JUST HARVEST - A CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|                                                      | <b><u>UNRESTRICTED</u></b> |
|------------------------------------------------------|----------------------------|
| <b><u>REVENUE AND OTHER SUPPORT</u></b>              |                            |
| Contributions                                        | \$ 10,464                  |
| Dues                                                 | 34,192                     |
| Special Events (Net of Related Expenses of \$18,526) | 46,837                     |
| Miscellaneous Revenue                                | 57                         |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b>               | <b><u>\$ 91,550</u></b>    |
| <br>                                                 |                            |
| <b><u>EXPENSES</u></b>                               |                            |
| Program Services                                     | \$ 70,181                  |
| Management and General                               | 14,242                     |
| Fundraising                                          | 8,594                      |
| <b>TOTAL PROGRAM EXPENSES</b>                        | <b><u>\$ 93,017</u></b>    |
| <br>                                                 |                            |
| <b>CHANGE IN NET ASSETS</b>                          | <b>\$ (1,467)</b>          |
| <br>                                                 |                            |
| NET ASSETS - JANUARY 1, 2015                         | <u>12,487</u>              |
| <br>                                                 |                            |
| <b>NET ASSETS - DECEMBER 31, 2015</b>                | <b><u>\$ 11,020</u></b>    |

The accompanying notes are an integral part of these financial statements



**JUST HARVEST - CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                  | <b><u>PROGRAM<br/>SERVICES</u></b> | <b><u>MANAGEMENT<br/>AND GENERAL</u></b> | <b><u>FUNDRAISING</u></b> | <b><u>TOTAL</u></b>     |
|----------------------------------|------------------------------------|------------------------------------------|---------------------------|-------------------------|
| Salaries                         | \$ 39,116                          | \$ 8,337                                 | \$ 4,981                  | \$ 52,434               |
| Payroll Taxes and Benefits       | 11,752                             | 2,505                                    | 1,497                     | 15,754                  |
| Professional Fees                | -                                  | 2,587                                    | -                         | 2,587                   |
| Office Supplies                  | 842                                | 179                                      | 108                       | 1,129                   |
| Postage                          | 930                                | 198                                      | 119                       | 1,247                   |
| Photocopying                     | 1,107                              | 236                                      | 141                       | 1,484                   |
| Janitorial                       | 663                                | 142                                      | 85                        | 890                     |
| Insurance                        | 934                                | 199                                      | 119                       | 1,252                   |
| Program Expense                  | 756                                | -                                        | -                         | 756                     |
| Rent                             | 4,476                              | 954                                      | 570                       | 6,000                   |
| Printing                         | 4,040                              | 861                                      | 514                       | 5,415                   |
| Credit Card Fees                 | 52                                 | -                                        | 1,425                     | 1,477                   |
| Telecommunications               | 1,391                              | 296                                      | 177                       | 1,864                   |
| Travel                           | 412                                | 88                                       | 52                        | 552                     |
| Miscellaneous Expense            | 201                                | 43                                       | 25                        | 269                     |
| Depreciation                     | 149                                | 32                                       | 19                        | 200                     |
| <b>TOTAL FUNCTIONAL EXPENSES</b> | <b><u>\$ 66,821</u></b>            | <b><u>\$ 16,657</u></b>                  | <b><u>\$ 9,832</u></b>    | <b><u>\$ 93,310</u></b> |

The accompanying notes are an integral part of these financial statements

**JUST HARVEST - CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

|                                  | <b><u>PROGRAM<br/>SERVICES</u></b> | <b><u>MANAGEMENT<br/>AND GENERAL</u></b> | <b><u>FUNDRAISING</u></b> | <b><u>TOTAL</u></b>     |
|----------------------------------|------------------------------------|------------------------------------------|---------------------------|-------------------------|
| Salaries                         | \$ 43,599                          | \$ 8,164                                 | \$ 4,932                  | \$ 56,695               |
| Payroll Taxes and Benefits       | 8,892                              | 1,665                                    | 1,006                     | 11,563                  |
| Professional Fees                | -                                  | 888                                      | -                         | 888                     |
| Office Supplies                  | 1,210                              | 227                                      | 137                       | 1,574                   |
| Postage                          | 782                                | 146                                      | 88                        | 1,016                   |
| Photocopying                     | 500                                | 94                                       | 57                        | 651                     |
| Janitorial                       | 1,476                              | 276                                      | 167                       | 1,919                   |
| Insurance                        | 1,033                              | 193                                      | 117                       | 1,343                   |
| Program Expense                  | 3,141                              | -                                        | -                         | 3,141                   |
| Rent                             | 4,199                              | 786                                      | 475                       | 5,460                   |
| Printing                         | 2,514                              | 471                                      | 284                       | 3,269                   |
| Credit Card Fees                 | -                                  | -                                        | 1,121                     | 1,121                   |
| Telecommunications               | 1,411                              | 264                                      | 160                       | 1,835                   |
| Travel                           | 686                                | 37                                       | 22                        | 745                     |
| Workshops                        | 100                                | 18                                       | 11                        | 129                     |
| Miscellaneous Expense            | 484                                | 984                                      | -                         | 1,468                   |
| Depreciation                     | 154                                | 29                                       | 17                        | 200                     |
| <b>TOTAL FUNCTIONAL EXPENSES</b> | <b><u>\$ 70,181</u></b>            | <b><u>\$ 14,242</u></b>                  | <b><u>\$ 8,594</u></b>    | <b><u>\$ 93,017</u></b> |

The accompanying notes are an integral part of these financial statements

**JUST HARVEST - A CENTER FOR ACTION AGAINST HUNGER**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

|                                                             | <u>2016</u>             | <u>2015</u>             |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>          |                         |                         |
| Change in Net Assets                                        | \$ (5,509)              | \$ (1,467)              |
| <b>Adjustments to Reconcile Net Assets to Net</b>           |                         |                         |
| <b>Cash provided by Operating Expenses:</b>                 |                         |                         |
| Depreciation                                                | 200                     | 200                     |
| <b>Changes in Current Assets &amp; Liabilities:</b>         |                         |                         |
| (Decrease) Increase in Payroll Taxes                        | 14,955                  | 25,082                  |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>            | <b><u>\$ 9,646</u></b>  | <b><u>\$ 23,815</u></b> |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>\$ 9,646</b>         | <b>\$ 23,815</b>        |
| <b>CASH AND CASH EQUIVALENTS - JANUARY 1,</b>               | <u>41,750</u>           | <u>17,935</u>           |
| <b>CASH AND CASH EQUIVALENTS - DECEMBER 31,</b>             | <b><u>\$ 51,396</u></b> | <b><u>\$ 41,750</u></b> |

The accompanying notes are an integral part of these financial statements

**JUST HARVEST – A CENTER FOR ACTION AGAINST HUNGER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Just Harvest – A Center for Action Against Hunger (the Center) was incorporated as a domestic nonprofit corporation of the Commonwealth of Pennsylvania on December 22, 1986. The purpose of the Center is to provide informed and effective advocacy, both on behalf of and together with poor and hungry people in Allegheny County, to initiate, monitor and support public policy reforms which impact the elimination of hunger.

The Financial Accounting Standards Board (FASB) is responsible for establishing generally accepted accounting principles for nonprofit organizations through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Center are discussed below.

**BASIS OF ACCOUNTING**

The Center utilizes the accrual basis of accounting. Under this method, revenue is recognized when earned rather than when received, and expenses are recognized when the obligation to pay is incurred rather than when the expense is paid.

**FINANCIAL STATEMENT PRESENTATION**

In accordance with generally accepted accounting standards, the Center 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 as follows:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. The Center did not have temporarily restricted net assets as of December 31, 2016 or December 31, 2015.
- Permanently Restricted Net Assets – Net assets subject to permanent donor-imposed stipulations. The Center did not have permanently restricted net assets as of December 31, 2016 or December 31, 2015.

**CONTRIBUTIONS**

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction fully expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**JUST HARVEST – A CENTER FOR ACTION AGAINST HUNGER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, cash and cash equivalents include amounts in demand deposit accounts and any highly liquid short-term investments with original maturity terms of three months or less.

**EQUIPMENT**

All assets of the Center are recorded at historical cost and include betterments which extend the economic life of the asset. Donated assets, if any, are stated at fair value at the time of donation. Maintenance and repair costs are charged to operations as incurred. Depreciation is provided on a straight-line basis (10-40 years) over the asset's estimated useful life. Depreciation expense for calendar year 2016 and 2015 respectively was \$200.

**NOTE 2 - OFF BALANCE SHEET RISK**

The Federal Deposit Insurance Corporation (FDIC) coverage thresholds for corporate accounts are \$250,000 per corporation. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit. At December 31, 2016, the Center had cash balances on hand with its depository totaling \$56,174. Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. As of December 31, 2016 and 2015, the cash balances maintained by the Center were fully insured through the FDIC.

**NOTE 3 – OPERATING LEASE**

Just Harvest – A Center for Action Against Hunger entered into a lease agreement for office space with the McKnight River Walk Corporation. The current terms of the lease agreement call for monthly rental payments of \$500. Annual lease expense for the Center for calendar years 2016 and 2015 was \$6,000 and \$5,460 respectively.

**NOTE 4 – TRANSACTIONS WITH AFFILIATE**

The Center has an affiliate – Just Harvest Education Fund, a 501C(3) nonprofit organization with whom they share a common Board of Directors. The Education Fund reimburses the Center for general ongoing operating expenses such as salaries, rent and other expenses. Management anticipates that these reimbursements will continue into the future sufficient to cover all normal operating expenses.

**JUST HARVEST – A CENTER FOR ACTION AGAINST HUNGER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**NOTE 5 – RISK MANAGEMENT**

Just Harvest – A Center for Action Against Hunger is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased by the Center from independent third parties.

**NOTE 6 – TAX-EXEMPT STATUS**

Just Harvest – A Center for Action Against Hunger is recognized as exempt from paying federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(4). The Center has been classified as an Organization that is not a private foundation under (IRC) Section 509(a). The Center's Form 990 'Return of Organization Exempt from Income Tax' for the years ended December 31, 2014, 2015, and 2016 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

**NOTE 7 – PENDING FASB ACCOUNTING STANDARD**

In August of 2016, the Financial Accounting Standards Board (FASB) issued new rules for nonprofits: "Accounting Standards Update 2016-14 Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities". The purpose of the new standard is to 1) simplify and clarify the treatment of net assets in the financial statements, 2) disclose any limitations on available liquid assets, 3) ensure consistency in the reporting of investment expenses and returns, and 4) increase the usefulness and understanding of the statement of cash flows. This standard will be effective for the Center's December 31, 2018 financial statements.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to December 31, 2016 through the date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.