

**JUST Capital Foundation, Inc.**

**Financial Statements  
(Together with Independent Auditors' Report)**

**For the Years Ended December 31, 2021 and 2020**

**JUST CAPITAL FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
JUST Capital Foundation, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of JUST Capital Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021, and the change 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Report on 2020 Financial Statements***

The financial statements of the Foundation as of and for the year ended December 31, 2020 were audited by another auditor whose report dated June 22, 2021 expressed an unmodified opinion on those statements.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Mayer Hoffman McCann CPAs*

New York, NY  
July 12, 2022

**JUST CAPITAL FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021 AND 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
Cash (Notes 2C and 6B)	\$ 2,253,576	\$ 2,405,528
Accounts receivable, net (Note 2E)	235,762	180,729
Grants receivable (Note 2G)	1,300,361	745,000
Prepaid expenses and other assets	212,069	204,186
Property and equipment, net (Notes 2D and 4)	56,214	82,673
Intangible assets (Note 2K)	<u>256,667</u>	<u>296,667</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,314,649</u>	<u>\$ 3,914,783</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 270,223	\$ 345,999
Grants payable (Note 2H)	164,000	-
Deferred revenue	125,750	-
Deferred rent (Note 2I)	<u>370,664</u>	<u>361,729</u>
<b>TOTAL LIABILITIES</b>	<u>930,637</u>	<u>707,728</u>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 5)		
<b>NET ASSETS</b> (Note 2B)		
Without donor restrictions	673,629	1,101,802
With donor restrictions (Note 7)	<u>2,710,383</u>	<u>2,105,253</u>
<b>TOTAL NET ASSETS</b>	<u>3,384,012</u>	<u>3,207,055</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,314,649</u>	<u>\$ 3,914,783</u>

The accompanying notes are an integral part of these financial statements.

**JUST CAPITAL FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>For the Year Ended December 31, 2021</u>			<u>For the Year Ended December 31, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>
<b>SUPPORT AND REVENUE:</b>						
Contributions (Notes 2G and 6A)	\$ 6,398,264	\$ -	\$ 6,398,264	\$ 6,282,833	\$ -	\$ 6,282,833
Forgiveness of line of credit (Note 8)	-	-	-	5,400,000	-	5,400,000
Grants (Note 2G)	1,066,500	3,376,111	4,442,611	1,468,800	2,675,000	4,143,800
In-kind contributions (Note 2F)	234,654	-	234,654	565,056	-	565,056
Program revenue (Note 2E)	260,701	-	260,701	398,378	-	398,378
Other revenue	29,448	-	29,448	51,240	-	51,240
Net assets released from restrictions (Notes 2B and 7)	<u>2,770,981</u>	<u>(2,770,981)</u>	<u>-</u>	<u>1,481,864</u>	<u>(1,481,864)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>10,760,548</u>	<u>605,130</u>	<u>11,365,678</u>	<u>15,648,171</u>	<u>1,193,136</u>	<u>16,841,307</u>
<b>EXPENSES</b> (Note 2J):						
Program services	9,776,463	-	9,776,463	8,411,585	-	8,411,585
Management and administration	853,895	-	853,895	680,378	-	680,378
Fundraising	<u>558,363</u>	<u>-</u>	<u>558,363</u>	<u>512,432</u>	<u>-</u>	<u>512,432</u>
<b>TOTAL EXPENSES</b>	<u>11,188,721</u>	<u>-</u>	<u>11,188,721</u>	<u>9,604,395</u>	<u>-</u>	<u>9,604,395</u>
<b>CHANGE IN NET ASSETS</b>	(428,173)	605,130	176,957	6,043,776	1,193,136	7,236,912
<b>Net assets - beginning of year</b>	<u>1,101,802</u>	<u>2,105,253</u>	<u>3,207,055</u>	<u>(4,941,974)</u>	<u>912,117</u>	<u>(4,029,857)</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 673,629</u>	<u>\$ 2,710,383</u>	<u>\$ 3,384,012</u>	<u>\$ 1,101,802</u>	<u>\$ 2,105,253</u>	<u>\$ 3,207,055</u>

The accompanying notes are an integral part of these financial statements.

**JUST CAPITAL FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<b>For The Year Ended December 31, 2021</b>				
	<b>Supporting Services</b>				
	<b>Program</b>	<b>Management &amp; Administration</b>	<b>Fundraising</b>	<b>Total 2021</b>	<b>Total 2020</b>
Salaries and wages	\$ 5,322,024	\$ 487,157	\$ 423,091	\$ 6,232,272	\$ 5,178,030
Payroll taxes, fringe benefits and employment costs (Note 9)	1,394,211	110,300	75,164	1,579,675	1,419,303
Research	692,907	45,931	5,012	743,850	653,824
Marketing	155,863	-	-	155,863	257,155
Occupancy (Notes 2I and 5A)	521,629	42,043	37,473	601,145	588,271
Staff recruitment, training and development	7,730	623	555	8,908	192
Consultants	260,283	99,738	-	360,021	496,571
Accounting and auditing	-	30,293	-	30,293	26,500
Legal fees (Note 2F)	234,654	13,500	-	248,154	312,199
Travel and related expenses	1,539	4,163	-	5,702	14,418
Meetings and conferences	268	997	-	1,265	216,782
Office expenses	37,709	3,039	2,709	43,457	43,530
Non-capital purchases, equipment	51,093	4,118	3,670	58,881	38,355
Donated interest (Note 2F)	-	-	-	-	243,369
Grant expense	947,759	-	-	947,759	-
Other	91,126	7,345	6,546	105,017	49,437
Depreciation and amortization (Notes 2I and 4)	57,668	4,648	4,143	66,459	66,459
	<b>\$ 9,776,463</b>	<b>\$ 853,895</b>	<b>\$ 558,363</b>	<b>\$ 11,188,721</b>	<b>\$ 9,604,395</b>

The accompanying notes are an integral part of these financial statements.

**JUST CAPITAL FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Supporting Services</u>			<u>Total 2020</u>
	<u>Program</u>	<u>Management &amp; Administration</u>	<u>Fundraising</u>	
Salaries and wages	\$ 4,409,510	\$ 407,020	\$ 361,500	\$ 5,178,030
Payroll taxes, fringe benefits and employment costs (Note 9)	1,253,321	87,565	78,417	1,419,303
Research	604,759	45,636	3,429	653,824
Marketing	257,155	-	-	257,155
Occupancy (Notes 2I and 5)	515,258	38,811	34,202	588,271
Staff recruitment, training and development	-	192	-	192
Consultants	447,048	40,421	9,102	496,571
Accounting and auditing	-	26,500	-	26,500
Legal fees (Note 2F)	309,186	3,013	-	312,199
Travel and related expenses	12,883	1,516	19	14,418
Meetings and conferences	216,006	632	144	216,782
Office expenses	38,127	2,872	2,531	43,530
Non-capital purchases, equipment	33,595	2,530	2,230	38,355
Donated interest (Note 2F)	213,164	16,056	14,149	243,369
Other	43,363	3,229	2,845	49,437
Depreciation and amortization (Notes 2I and 4)	58,210	4,385	3,864	66,459
	<u>\$ 8,411,585</u>	<u>\$ 680,378</u>	<u>\$ 512,432</u>	<u>\$ 9,604,395</u>

The accompanying notes are an integral part of these financial statements.



**JUST CAPITAL FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 176,957	\$ 7,236,912
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	66,459	66,459
Forgiveness of line of credit	-	(5,400,000)
	243,416	1,903,371
Changes in operating assets and liabilities:		
Increase in assets:		
Accounts receivable	(55,033)	(41,409)
Grants receivable	(555,361)	(45,000)
Prepaid expenses and other assets	(7,883)	(16,475)
(Decrease) Increase in liabilities:		
Accounts payable and accrued expenses	(75,776)	(97,319)
Grants payable	164,000	-
Deferred revenue	125,750	-
Deferred rent	8,935	20,151
	(151,952)	1,723,319
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(151,952)</b>	<b>1,723,319</b>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(151,952)</b>	<b>1,723,319</b>
Cash - beginning of year	2,405,528	682,209
<b>CASH - END OF YEAR</b>	<b>\$ 2,253,576</b>	<b>\$ 2,405,528</b>
<b>Supplemental disclosure of noncash financing activities:</b>		
Forgiveness of line of credit	\$ -	\$ 5,400,000

**JUST CAPITAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

JUST Capital Foundation, Inc. (the “Foundation”) is a not-for-profit corporation established in 2013 for charitable purposes and is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation, an independent, nonprofit research organization, uses the power of information and markets to address some of the most pressing social, economic, and environmental challenges of our time. JUST Capital’s mission is to build an economy that works for all Americans by helping companies improve how they serve all their stakeholders – workers, customers, communities, the environment, and shareholders.

Uniquely, JUST Capital engages the American public to determine what matters most to them when it comes to just business behavior. Since 2015, JUST Capital has surveyed more than 150,000 Americans, representative of the U.S. adult population, who agree that companies should pay a living wage, create good jobs, provide fair pay and good benefits, meet supply chain labor standards, treat customers well, reduce environmental impacts, promote gender and racial equity, and support local communities. The Foundation then does extensive research to define metrics, gather data, analyze performance, and ultimately rank the largest 1,000 publicly traded U.S. corporations on these issues. The Foundation’s methodology is recognized as one of the most analytically robust, unbiased, transparent, and data-driven approaches currently deployed. The Foundation leverages data, rankings, and analysis to incentivize and influence more just corporate behavior.

Our Rankings of America’s JUST Companies, which feature the JUST 100 and Industry Leader lists, celebrate business leadership on just issues to promote a “race to the top.” The top performers – who provide a powerful benchmark to incentivize more just business behavior – are recognized in partnership with CNBC and awarded our JUST Seal.

JUST Capital also drives capital toward more just companies from conducting our JUST Alpha research to creating new platforms like the CNBC Quarterly JUST Calls to building investable indexes and licensing our data. As of 2021, JUST Capital’s partnerships with investment firms covered a total over \$425,000,000 in Assets Under Management (“AUM”) across 11 different investment products. Our flagship index based on JUST Capital’s proprietary research and rankings – the JUST U.S. Large Cap Diversified Index (“JULCD”) – was licensed by Goldman Sachs Asset Management in 2018 to launch its first ever environmental, social, and governance (“ESG”) focused exchange-traded fund (“ETF”) – the JUST ETF. The Index includes the top 50% of Russell 1000 companies ranked by JUST Capital by industry and is constructed to match the Russell’s industry weights. It features companies driving positive change on the issues the American public cares about most – issues like worker pay and wellbeing, beneficial products, the environment, strong communities, and more. The JUST Index has outperformed the Russell 1000 by 6.17% since inception through December 2021 and the ETF was awarded Morningstar Analyst’s Rating of Bronze this year.

The Foundation’s definitive polling, rankings, indexes, and data empower all market participants – workers, investors, business leaders, consumers, advocacy groups – with the information they need to support, purchase from, invest in, and work for companies that perform best on the issues they care about.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Presentation***

The Foundation’s financial statements have been prepared on the accrual basis of accounting. The Foundation adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**JUST CAPITAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. *Net Assets***

The Foundation's net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.
- With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Foundation or the passage of time. This net asset class might also include those resources whose stipulations are to be maintained in perpetuity by the Foundation. The Foundation had no net assets with donor restrictions maintained in perpetuity as of December 31, 2021 and 2020.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled, the stipulated time period has elapsed) are reported as net assets released from restrictions.

**C. *Cash***

The Foundation considers all highly liquid investments with original maturities of 90 days or less when acquired to be cash equivalents.

**D. *Property and Equipment***

Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Foundation capitalizes acquisitions that have a cost of \$5,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Amortization of leasehold improvements is calculated over the lesser of the estimated useful lives of the assets or the length of the lease.

**E. *Program Revenue***

Program revenue consists primarily of data licensing fees. The Foundation recognizes revenue under data licensing agreements at the point in time when the Foundation's performance obligations have been satisfied, which is generally when the relevant data has been provided. Some of the Foundation's license agreements contain usage-based royalties. Usage-based fee agreements are recognized as revenue when the usage occurs or when the related performance obligation has been satisfied, whichever occurs later. The Foundation bases its allowance for doubtful accounts on its historical loss experience, the age of the receivables, and an evaluation of the creditworthiness of the customer. As of December 31, 2021 and 2020, the Foundation determined that an allowance of \$25,000 and \$0, respectively, should be provided for account receivable.

**F. *In-kind Contributions***

The Foundation records donated interest and contributed services at their fair value provided they meet the criteria for recognition. Donated interest of \$0 and \$243,369 and donated professional fees of \$234,654 and \$312,199 for the years ended December 31, 2021 and 2020, respectively, are reflected as both revenue and expense in the accompanying financial statements.

**JUST CAPITAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. *Grants and Contributions***

Grants and contributions are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Grants and contributions are recognized at fair value when received or when an unconditional promise is received. The Foundation bases its allowance for doubtful accounts on its historical loss experience, the age of the receivables, and an evaluation of the creditworthiness of the donor. Grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Historically, the Foundation has not had collection issues with grants and therefore has determined that no allowance was necessary as of December 31, 2021 and 2020 for grants receivable. Grants receivable are expected to be collected within one year.

**H. *Grants Payable***

Grants payable are recorded as a liability and related expense when an unconditional promise to give has been made. Grants payable are expected to be paid within one year.

**I. *Deferred Rent***

The Foundation leases rental property through 2027. The difference between rental payments due under the leases and rent expense calculated on the straight-line basis for the years ended December 31, 2021 and 2020, amounted to \$8,935 and \$20,151, respectively. As of December 31, 2021 and 2020, a liability in the amount of \$370,664 and \$361,729, respectively, is reflected as deferred rent on the accompanying statements of financial position. See Note 5A for further discussion.

**J. *Functional Allocation of Expenses***

The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying statements of activities and functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The expenses that are allocated include occupancy, office expenses, depreciation, and amortization, which are allocated on a headcount basis, as well as salaries and wages, benefits, payroll taxes, and interest, which are allocated on the basis of estimates of time and effort.

**K. *Intangible Assets***

During 2018, the Foundation entered into a licensing agreement for the use of the Foundation’s JULCD. The costs incurred to position the Foundation to be able to enter into such an agreement were estimated to be \$400,000, consisting mostly of legal expenses, which are being amortized over ten years. These costs were valued under the Cost Approach using the current replacement cost basis. Amortization of this intangible asset amounted to \$40,000 for each of the years ended December 31, 2021 and 2020.

**L. *Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Foundation considers all expenditures related to its ongoing programs, as well as management and administration to support those activities, to be general expenditures.

**JUST CAPITAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES**  
**(Continued)**

As of December 31, the financial assets available to meet general expenditures over the next 12 months were as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,253,576	\$ 2,405,528
Accounts receivable, net	235,762	180,729
Grants receivable	1,300,361	745,000
Total	<u>\$ 3,789,699</u>	<u>\$ 3,331,257</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Website	\$ 17,085	\$ 17,085	15 years
Computers and networking equipment	16,205	16,205	5 years
Furniture and fixtures	151,038	151,038	7 years
Leasehold improvements	<u>44,910</u>	<u>44,910</u>	12 years
Total costs	229,238	229,238	
Less: accumulated depreciation and amortization	<u>(173,024)</u>	<u>(146,565)</u>	
Net book value	<u>\$ 56,214</u>	<u>\$ 82,673</u>	

Depreciation and amortization expense of property and equipment amounted to \$26,459 for both the years ended December 31, 2021 and 2020.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

A. In January 2016, the Foundation signed a lease for new office space that ends in 2027. This lease is guaranteed by a Board member of the Foundation.

Minimum rental payments for years subsequent to December 31, 2021 are as follows:

<u>Years ending</u> <u>December 31,</u>	
2022	\$ 553,848
2023	566,310
2024	579,052
2025	592,081
2026	605,403
Thereafter	<u>412,683</u>
	<u>\$ 3,309,377</u>

Rent expense for the years ended December 31, 2021 and 2020, amounted to \$567,502 and \$558,739, respectively, and is included in occupancy expense in the accompanying statements of functional expenses.

B. The Foundation believes it had no uncertain tax positions as of December 31, 2021 and 2020, in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**JUST CAPITAL FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES (Continued)**

C. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Foundation could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Foundation’s mission, programs, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Foundation cannot predict the extent to which its financial condition and results of operations will be affected.

**NOTE 6 – CONCENTRATIONS**

- A. For the years ended December 31, 2021 and 2020, contributions from a Board member of the Foundation made up approximately 49% and 65%, respectively, of total revenue.
- B. Cash that potentially subjects the Foundation to a concentration of credit risk includes cash accounts with banks that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor, per FDIC-insured institution and per ownership category. As of December 31, 2021 and 2020, there was approximately \$1,940,000 and \$2,091,000, respectively, of cash held by one bank that exceeded FDIC limits. Such excess includes outstanding checks.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31:

	2021	2020
Time restricted	\$ 325,000	\$ 400,000
Restricted for specific purposes	2,385,383	1,705,253
	\$ 2,710,383	\$ 2,105,253

Net assets released from restrictions amounted to \$2,770,981 and \$1,481,864 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 8 – LINE OF CREDIT**

The Foundation had a revolving line of credit with a limit of \$5,400,000, which was obtained from a Board member. The line of credit originated on October 20, 2017 for \$2,550,000, and was subsequently increased to \$2,750,000 (November 2017). The line of credit was amended and restated on December 20, 2019 to increase the line to \$5,400,000. The line was unsecured and did not bear interest. During 2020, the line of credit was fully forgiven.

**NOTE 9 – PENSION PLAN**

Effective July 1, 2016, the Foundation’s employees can participate in a 401(k) profit-sharing pension plan covering all eligible employees. Eligible employees can make elective deferrals under a salary reduction agreement. The Foundation matches, dollar for dollar, up to 4% of an employee’s compensation. The Foundation may also make discretionary contributions. For the years ended December 31, 2021 and 2020, contributions from the Foundation amounted to \$175,847 and \$147,900, respectively.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through July 12, 2022 the date the financial statements were available to be issued.