

50CAN, Inc.

Financial Statements

December 31, 2022 and 2021

Independent Auditors' Report

Board of Directors
50CAN, Inc.

Opinion

We have audited the accompanying financial statements of 50CAN, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 50CAN, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 50CAN, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 50CAN, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 50CAN, Inc.'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 50CAN, Inc.'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.

PKF O'Connor Davies, LLP

Bethesda, Maryland
October 27, 2023

50CAN, Inc.

Statements of Financial Position

	December 31,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 9,202,911	\$ 6,367,199
Contributions receivable	2,165,597	3,244,092
Other receivables	441,341	1,630,647
Investments	68,455	74,092
Prepaid expenses	49,538	57,577
Deposits	7,000	32,216
Right-of-use asset, net	186,419	-
Inventory	15,360	15,481
Property and equipment, net	563	29,865
	<u>\$ 12,137,184</u>	<u>\$ 11,451,169</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 418,919	\$ 649,159
Operating lease liability	188,019	-
	<u>606,938</u>	<u>649,159</u>
Net Assets		
Without donor restrictions	4,085,903	3,384,329
With donor restrictions	7,444,343	7,417,681
	<u>11,530,246</u>	<u>10,802,010</u>
	<u>\$ 12,137,184</u>	<u>\$ 11,451,169</u>

See notes to financial statements

50CAN, Inc.

Statements of Activities

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 793,224	33,706,449	\$ 34,499,673	\$ 4,823,384	\$ 6,860,812	\$ 11,684,196
In-kind contributions - legal services	217,345	-	217,345	156,263	-	156,263
Service fees and other income	3,179,574	-	3,179,574	1,548,826	-	1,548,826
PPP income	-	-	-	1,063,895	-	1,063,895
Other income	9,979	-	9,979	76,906	-	76,906
Investment (loss) income	(19,557)	-	(19,557)	14,227	-	14,227
Net assets released from restrictions	<u>33,679,787</u>	<u>(33,679,787)</u>	<u>-</u>	<u>3,036,847</u>	<u>(3,036,847)</u>	<u>-</u>
Total Revenue	<u>37,860,352</u>	<u>26,662</u>	<u>37,887,014</u>	<u>10,720,348</u>	<u>3,823,965</u>	<u>14,544,313</u>
EXPENSES						
Program services	33,311,080	-	33,311,080	8,488,436	-	8,488,436
Management and general	2,757,158	-	2,757,158	2,197,569	-	2,197,569
Fundraising	<u>1,090,541</u>	<u>-</u>	<u>1,090,541</u>	<u>1,011,434</u>	<u>-</u>	<u>1,011,434</u>
Total Expenses	<u>37,158,778</u>	<u>-</u>	<u>37,158,778</u>	<u>11,697,439</u>	<u>-</u>	<u>11,697,439</u>
Change in Net Assets Before Other Income	701,574	26,662	728,236	(977,091)	3,823,965	2,846,874
OTHER INCOME						
Deemed contributions from other not-for-profit entities	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,919</u>	<u>-</u>	<u>324,919</u>
Change in Net Assets	701,574	26,662	728,236	(652,172)	3,823,965	3,171,793
NET ASSETS						
Beginning of year	<u>3,384,329</u>	<u>7,417,681</u>	<u>10,802,010</u>	<u>4,036,501</u>	<u>3,593,716</u>	<u>7,630,217</u>
End of year	<u>\$ 4,085,903</u>	<u>\$ 7,444,343</u>	<u>\$ 11,530,246</u>	<u>\$ 3,384,329</u>	<u>\$ 7,417,681</u>	<u>\$ 10,802,010</u>

See notes to financial statements

50CAN, Inc.

Statements of Functional Expenses

	Year Ended December 31, 2022				Year Ended December 31, 2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
EXPENSES								
Salaries and related expenses	\$ 4,726,138	\$ 1,558,440	\$ 1,080,450	\$ 7,365,028	\$ 4,235,399	\$ 1,470,602	\$ 980,402	\$ 6,686,403
Professional Fees								
Legal	-	86,439	-	86,439	-	66,446	-	66,446
In-kind expenses - legal services	217,345	-	-	217,345	156,263	-	-	156,263
Accounting	-	129,864	-	129,864	-	16,835	-	16,835
IT services	18,845	43,971	-	62,816	34,492	80,481	-	114,973
Professional fundraiser	18,654	3,282	-	21,936	-	-	5,586	5,586
Consulting	2,672,493	470,137	-	3,142,630	980,805	71,583	-	1,052,388
Program stipend	1,193,543	-	-	1,193,543	1,315,417	-	-	1,315,417
Grants made	23,298,911	-	-	23,298,911	644,799	-	-	644,799
Public relations	151,126	-	-	151,126	378,484	-	-	378,484
Occupancy and related expenses	41,943	5,243	5,243	52,429	138,442	17,390	17,390	173,222
Travel and meetings	194,239	93,250	1,176	288,665	88,096	71,583	3,454	163,133
Events	261,222	-	-	261,222	34,771	144,711	-	179,482
Information technology	238,890	119,445	3,620	361,955	257,525	128,762	3,902	390,189
Office related expenses	197,158	86,314	52	283,524	171,485	47,205	700	219,390
Insurance	8,210	46,523	-	54,733	7,142	40,472	-	47,614
Staff development	72,363	84,947	-	157,310	45,316	26,887	-	72,203
Depreciation	-	29,302	-	29,302	-	14,612	-	14,612
Total Expenses	<u>\$ 33,311,080</u>	<u>\$ 2,757,158</u>	<u>\$ 1,090,541</u>	<u>\$ 37,158,778</u>	<u>\$ 8,488,436</u>	<u>\$ 2,197,569</u>	<u>\$ 1,011,434</u>	<u>\$ 11,697,439</u>

See notes to financial statements

50CAN, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 728,236	\$ 3,171,793
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	29,302	14,612
Amortization of right-of-use asset	1,600	-
Net realized and unrealized loss (gain) on investments	20,864	(13,521)
Changes in operating assets and liabilities		
Receivables	2,267,801	(2,260,234)
Prepaid expenses	8,039	522
Deposits	25,216	-
Inventory	121	122
Deferred revenue	-	(67,400)
Accounts payable and accrued expenses	(230,240)	440,701
Net Cash from Operating Activities	2,850,939	1,286,595
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(77,393)	(8,480)
Proceeds from sales of investments	62,166	-
Net Cash from Investing Activities	(15,227)	(8,480)
Net Change in Cash and Cash Equivalents	2,835,712	1,278,115
CASH AND CASH EQUIVALENTS		
Beginning of year	6,367,199	5,089,084
End of year	\$ 9,202,911	\$ 6,367,199
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 566	\$ -

See notes to financial statements

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

1. Organization

50CAN, Inc. ("50CAN") is a not-for-profit organization formed on July 9, 2010 and is committed to closing America's achievement gap by building public support for proven models of effective public education.

50CAN is organized for the purpose of improving the quality of public education in the United States of America. It does so through the creation and management of state-based educational reform programs that support greater choices, transparency, accountability, and flexibility in public education. Elements of these programs include research on and development of effective educational reform policies, development and use of information technology, data gathering and outcome measurements designed to inform, evaluate and strengthen public education, production of communication materials and the use of outreach strategies to educate the general public, elected officials, school administrators and teachers, civic and community groups and other interested parties about the state of public education and the potential of education reform policies and programs, and educational and fellowship programs to train individuals to become effective educational reform leaders.

50CAN is a charitable organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

2. Summary of Significant Accounting Policies

Change in Accounting Policies

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* ("Topic 842"), which supersedes existing guidance in Topic 840, *Leases*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use ("ROU") assets and lease liabilities on the statement of financial position for operating leases.

50CAN adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. The Organization elected to use all available practical expedients provided in the transition guidance. These allowed the Organization to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* ("Topic 958"): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increased transparency around contributed nonfinancial assets received by not-for-profit organizations. 50CAN adopted the standard on a retrospective basis effective January 1, 2022.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of 50CAN and changes therein, are classified and reported as with or without donor restrictions.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use by 50CAN has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as released from restrictions.

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 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. The most significant estimates and assumptions relate to the determination of the allowance for doubtful accounts, depreciation and functional expense allocation. Actual results could differ from those estimates.

Allowance for Doubtful Accounts

An allowance for uncollectible receivables is provided based on management's evaluation of potential uncollectible contributions receivable at year end. 50CAN has considered a number of factors in evaluating this reserve including the economy and contribution payment history. Management has determined no allowance was required at December 31, 2022 and 2021.

Cash and Cash Equivalents

50CAN considers all highly liquid debt investments with a maturity of three months or less, at the time of purchase, to be cash equivalents.

Property, Equipment and Depreciation

Property and equipment are recorded at cost, or if received by donation, at the estimated fair value at the time such items are received. Depreciation is provided using the straight-line method over the estimated useful life of the asset, which range from three to five years. All acquisitions of property and equipment in excess of \$5,000 and expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Inventory

Inventory consists of books, which are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is less than its cost, the difference is recognized as a loss in the statements of activities in the period in which it occurs.

Contributions

Contributions are recognized when a donor makes a promise, that is in substance unconditional, to give to 50CAN. Contributions are recorded at net realizable amounts. Unconditional promises to give, which are due in future periods are net assets with donor restrictions and are reported at the present value of their future cash payments, using risk-adjusted interest rates applicable to the years in which the promises are to be received. Contributions of assets other than cash are recorded at their estimated fair value. Support that is restricted by the donor is reported as a net asset without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is recorded as net assets with donor restrictions. Donor restricted contributions are reclassified to without donor restrictions when the restriction is satisfied or when the time restriction lapses.

In-Kind Contributions

In-kind contributions (legal services) are reported in the financial statements at fair value if those services create or enhance non-financial assets or deliver specialized skills provided by individuals possessing those skills that would typically be purchased if not provided by donation. The estimated fair value of these legal service are based on total hours at the law firms' billable rates.

In-kind contributions consist of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Usage</u>	<u>Donor Restriction</u>
Legal services	\$ 217,345	\$ 156,263	Program Services	None

In addition, time and supportive services have been donated to 50CAN programs by volunteers. These donations do not meet the requirements for recognition in the financial statements.

Service Fee Income

50CAN provides administrative, program and financial services to nonprofit organizations. Service fee income is recognized as earned over a course of a month which is the period that 50CAN satisfies the performance obligation. Service fees collected for services not yet performed are recorded as deferred revenue and recognized as income in the period to which the services pertain. 50CAN's deferred revenue balance was \$67,400 at January 1, 2021.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Grants

50CAN records grants payable when the grants are approved. All grants made are in accordance with the terms of the various governing instruments and are subject to approval.

Advertising

50CAN uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 31, 2022 and 2021, advertising expense totaled \$23,946 and \$221,931.

Functional Expenses

50CAN reports certain categories of expenses that are attributable to the program or supporting functions of 50CAN. Those expenses are: salaries and related expenses, employee benefits, occupancy and other expenses. Salaries and benefits are allocated based on effort. Other expenses have been allocated among the program and supporting services classifications on other bases as determined by management of 50CAN to be appropriate.

Measure of Operations

50CAN includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting activities and excludes deemed contributions from other not-for-profit entities.

Fair Value Measurements

50CAN follows U.S. GAAP guidance on fair value measurements which defines fair value and established a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Leases

50CAN accounts for leases under ASU No. 2016-02, Leases. The Organization determines if an arrangement is a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Leases (continued)

Operating lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. 50CAN has made an accounting policy election to use a risk-free rate, determined using a period comparable with that of the lease term, to discount future lease payments. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using 50CAN's risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term within occupancy expense in the accompanying statements of functional expenses. Lease and non-lease components of lease agreements are accounted for separately. Lease terms may include options to extend or terminate the lease. When it is reasonably certain that 50CAN will exercise that option, such amounts are included in the ROU assets and lease liabilities.

Accounting for Uncertainty in Income Taxes

50CAN recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that 50CAN had no uncertain tax positions that would require financial statement recognition or disclosure. 50CAN is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2019.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 27, 2023.

3. Investments

Investments consist of equity securities with readily determinable fair values (level 1).

4. Concentrations

Financial instruments that potentially subject 50CAN to concentrations of credit risk consist principally of cash, cash equivalents and investments. 50CAN maintains its cash accounts with a financial institution. At times, cash balances may be in excess of balances insured by the Federal Deposit Insurance Corporation. The investment portfolio is diversified by type of investment and industry concentration so that no individual group of investments represents a significant concentration of risk.

For the years ended December 31, 2022 and 2021, two and one donors accounted for 56% and 35% of total contributions. As of December 31, 2022 and 2021 four and three donors accounted for 80% and 94% of contributions receivable.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

5. Paycheck Protection Program

50CAN received loan proceeds in the amount of \$1,063,895 under the Paycheck Protection Program (the "PPP") during 2021. The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for the amount of 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears interest of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the loan. Loan payments of principal and interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA"). The PPP loan was forgiven in full by the SBA on March 30, 2022 and is reported as income in the statement of activities for 2021.

6. Contributions Receivable

Contributions receivables due in less than one year at December 31, 2022 and 2021 were \$2,165,597 and \$3,244,092.

7. Property and Equipment

Property and equipment, net is summarized as follows at December 31:

	2022	2021
Equipment and software	\$ 233,229	\$ 207,570
Furniture and fixtures	31,417	57,076
	264,646	264,646
Accumulated depreciation	(264,083)	(234,781)
	<u>\$ 563</u>	<u>\$ 29,865</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2022	2021
Restriction by initiative:		
Affiliate	\$ 419,620	\$ 327,485
North Carolina (CarolinaCAN)	8,710	7,031
National	586,349	1,529,417
Connecticut (ConnCAN)	397,740	82,740
New Jersey (JerseyCAN)	59,539	39,560
Florida (FloridaCAN)	66,485	66,485
Tennessee (TennesseeCAN)	1,086,478	1,242,239
Delaware (DelawareCAN)	284,995	444,502
Hawaii (HawaiiKidsCAN)	639,567	184,102
Georgia (GeorgiaCAN)	1,023,750	676,334
New Mexico (NMCAN)	69,549	274,521
Partnership for Educational Justice (PEJ)	16,546	24,844
National Voices	457,744	824,282
Schmidt Futures	200,000	-
My Child My Choice	124,270	175,331
ECRN (CA)	149,679	582,739
NJER	71,005	-
PACE	84,997	71,449
FCCS	1,597,320	472,876
SchoolFactsBoston	100,000	391,744
	<u>\$ 7,444,343</u>	<u>\$ 7,417,681</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

8. Net Assets with Donor Restrictions *(continued)*

For the years ended December 31, net assets with donor restrictions released from restrictions were as follows:

	2022	2021
Restriction by initiative:		
National	\$ 1,198,068	\$ -
North Carolina (CarolinaCAN)	105,321	-
New Jersey (JerseyCAN)	594,021	33,243
Connecticut (ConnCAN)	936,864	24,635
South Carolina (South CarolinaCAN)	307,951	51,844
Tennessee (TennesseeCAN)	999,757	1,061,377
National Voices	616,538	199,455
Georgia (GeorgiaCAN)	642,860	364,078
Delaware (DelawareCAN)	237,689	200,000
Hawaii (HawaiiKidsCAN)	454,566	149,589
New Mexico (NMCAN)	371,069	99,863
Affiliate	921,365	-
Summerboost	24,560,910	-
Sponsorships	-	390,715
Partnership for Educational Justice (PEJ)	8,299	193,660
My Child My Choice	51,061	83,135
ECRN (CA)	463,060	-
NJER	103,995	-
PACE	353,298	-
FCCS	461,351	-
SchoolFactsBoston	291,744	185,253
	<u>\$ 33,679,787</u>	<u>\$ 3,036,847</u>

9. Liquidity and Availability

Total financial assets available to meet cash needs for general expenditures within one year at December 31, are as follows:

	2022	2021
Cash and cash equivalents	\$ 9,202,911	\$ 6,367,199
Receivables	2,606,938	4,874,739
Investments	<u>68,455</u>	<u>74,092</u>
Financial Assets as of Year End	11,878,304	11,316,030
Amounts unavailable for general expenditures due to:		
Subject to donor purpose restrictions	<u>(7,444,343)</u>	<u>(7,417,681)</u>
	<u>\$ 4,433,961</u>	<u>\$ 3,898,349</u>

50CAN's goal is generally to maintain financial assets to meet at least 90 days of operating expenses.

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

10. Major Program

In April 2022, 50CAN entered into a partnership with Bloomberg Philanthropies to provide students and parents with creative summer programming in New York City for the summer of 2022. Summer Boost NYC's goal was to reach 25,000 students, grades K-8, whose learning loss had been exacerbated by the COVID-19 pandemic. The program generated \$24,560,910 in donor restricted contributions for the Summer Boost program. 50CAN distributed \$22,645,910 to over 70 New York City Charter Schools associated with the program. In exchange for the administrative and support services associated with the program, 50CAN earned a 5% fee on the total expenses related to Summer Boost.

11. Lease Commitments

In November 2015, 50CAN entered into a lease agreement upon their relocation to Washington, D.C. The lease term is 5 years and 5 months, which began on March 1, 2016. In March 2017, 50CAN entered into a month-to-month lease agreement for their Connecticut office. The leases were terminated in 2021.

In August 2022, 50CAN entered into an operating lease agreement for office space in Bridgeport, CT on behalf of one of the organizations that 50CAN supports. The lease term is 5 years commencing September 1, 2022 and is dependent on the organization's annual grant renewal. As of December 31, 2022, the operating lease right-of-use asset and operating lease liability related to this agreement is \$186,419 and \$188,019. The weighted average remaining lease term of these agreements is 5 years. The lease liability was calculated using a present value discount rate of 0.87%. Rent expense amounted to \$46,590 and \$172,815 for the years ended December 31, 2022 and 2021. Future minimum lease payments under non-cancellable leases as of December 31, 2022 are as follows:

Year ending December 31,	<u>Operating Lease</u>
2023	\$ 38,000
2024	42,000
2025	42,000
2026	42,000
2027	<u>28,000</u>
Total future minimum lease payments	192,000
Less imputed interest	<u>(3,981)</u>
Total Lease Liability	<u>\$ 188,019</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2022 and 2021

12. Retirement Plan

50CAN has a 401(k)-retirement plan covering all eligible employees. At the Board's discretion, 50CAN matches employee contributions up to five percent of base salary. Retirement expenses for the years ended December 31, 2022 and 2021 totaled \$211,988 and \$186,980.

13. Agreements

Resource Sharing and Expense Reimbursement Agreement

50CAN and 50CAN Action Fund, Inc. ("50CAN Action Fund"), independent organizations, signed a Resource Sharing and Expense Reimbursement Agreement (the "Agreement") in July 2012. 50CAN Action Fund is exempt from tax under Section 501(c)(4) of the Internal Revenue Code and is organized to close the racial and socioeconomic achievement gaps through the enactment of public policy changes that support great schools. Under the Agreement, 50CAN shares certain resources, such as office, equipment, and personnel. 50CAN bills 50CAN Action Fund on a monthly basis for direct and indirect services incurred. 50CAN billed 50CAN Action Fund \$438,399 and \$504,645 for the years ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, \$441,341 and \$1,630,647 was due from 50CAN Action Fund which is included in other receivables.

14. Subsequent Event

Summer Boost 2023 was created to reach K-8 students whose learning loss has been exacerbated by the COVID-19 pandemic. The success of the 2022 program, which focused solely on New York City students, led to the expansion into eight cities nationwide. 50CAN entered into a partnership with Bloomberg Philanthropies to provide students and parents with creative summer programming for the summer of 2023. Providing the support services and fiscal sponsorship to the New York City Charter School Summer Learning Initiative directly aligns with 50CAN's vision of an open and connected world of learning where every student and family is able to select the education that's right for them. To date, 50CAN has received a total of approximately \$60 million in revenue to support this program.

* * * * *