

50CAN, Inc.

Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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
August 26, 2022

50CAN, Inc.

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 6,367,199	\$ 5,089,084
Contributions receivable	3,244,206	983,858
Other receivables	1,630,533	1,630,647
Investments	74,092	52,091
Prepaid expenses	57,577	58,099
Deposits	32,216	32,216
Inventory	15,481	15,603
Property and equipment, net	29,865	44,477
	<u>\$ 11,451,169</u>	<u>\$ 7,906,075</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 649,159	\$ 208,458
Deferred revenue	-	67,400
Total Liabilities	<u>649,159</u>	<u>275,858</u>
Net Assets		
Without donor restrictions	3,384,329	4,036,501
With donor restrictions	<u>7,417,681</u>	<u>3,593,716</u>
Total Net Assets	<u>10,802,010</u>	<u>7,630,217</u>
	<u>\$ 11,451,169</u>	<u>\$ 7,906,075</u>

See notes to financial statements

50CAN, Inc.

Statements of Activities

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 4,823,384	\$ 6,860,812	\$ 11,684,196	\$ 6,164,241	\$ 1,336,187	\$ 7,500,428
In-kind contributions - legal services	156,263	-	156,263	318,075	-	318,075
Service fees and other income	1,548,826	-	1,548,826	1,746,035	-	1,746,035
PPP income	1,063,895	-	1,063,895	994,209	-	994,209
Other income	76,906	-	76,906	90,325	-	90,325
Investment income	14,227	-	14,227	7,383	-	7,383
Net assets released from restrictions	<u>3,036,847</u>	<u>(3,036,847)</u>	<u>-</u>	<u>4,560,237</u>	<u>(4,560,237)</u>	<u>-</u>
Total Revenue	<u>10,720,348</u>	<u>3,823,965</u>	<u>14,544,313</u>	<u>13,880,505</u>	<u>(3,224,050)</u>	<u>10,656,455</u>
EXPENSES						
Program services	8,488,436	-	8,488,436	7,699,510	-	7,699,510
Management and general	2,197,569	-	2,197,569	1,938,079	-	1,938,079
Fundraising	<u>1,011,434</u>	<u>-</u>	<u>1,011,434</u>	<u>847,081</u>	<u>-</u>	<u>847,081</u>
Total Expenses	<u>11,697,439</u>	<u>-</u>	<u>11,697,439</u>	<u>10,484,670</u>	<u>-</u>	<u>10,484,670</u>
Change in Net Assets Before Other Income	(977,091)	3,823,965	2,846,874	3,395,835	(3,224,050)	171,785
OTHER INCOME						
Deemed contributions from other not-for-profit entities	<u>324,919</u>	<u>-</u>	<u>324,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(652,172)	3,823,965	3,171,793	3,395,835	(3,224,050)	171,785
NET ASSETS						
Beginning of year	<u>4,036,501</u>	<u>3,593,716</u>	<u>7,630,217</u>	<u>640,666</u>	<u>6,817,766</u>	<u>7,458,432</u>
End 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>

See notes to financial statements

50CAN, Inc.

Statements of Functional Expenses

	Year Ended December 31, 2021				Year Ended December 31, 2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
EXPENSES								
Salaries and related expenses	\$ 4,235,399	\$ 1,470,602	\$ 980,402	\$ 6,686,403	\$ 4,210,036	\$ 1,210,624	\$ 807,083	\$ 6,227,743
Professional Fees								
Legal	-	66,446	-	66,446	-	60,237	-	60,237
In-kind expenses - legal services	156,263	-	-	156,263	318,075	-	-	318,075
Accounting	-	16,835	-	16,835	-	55,112	-	55,112
Graphic design services	-	-	-	-	50,000	-	-	50,000
IT services	34,492	80,481	-	114,973	26,804	62,544	-	89,348
Professional fundraiser	-	-	5,586	5,586	-	-	2,000	2,000
Consulting	980,805	71,583	-	1,052,388	886,474	281,010	-	1,167,484
Program stipend	1,315,417	-	-	1,315,417	1,062,961	-	-	1,062,961
Grants made	644,799	-	-	644,799	199,768	-	-	199,768
Public relations	378,484	-	-	378,484	91,090	-	-	91,090
Occupancy and related expenses	138,442	17,390	17,390	173,222	278,339	34,793	34,793	347,925
Travel and meetings	88,096	71,583	3,454	163,133	136,910	41,455	189	178,554
Program expense	34,771	144,711	-	179,482	110,737	21,290	-	132,027
Information technology	257,525	128,762	3,902	390,189	189,850	94,925	2,875	287,650
Office related expenses	171,485	47,205	700	219,390	110,159	19,875	141	130,175
Insurance	7,142	40,472	-	47,614	3,503	19,849	-	23,352
Staff development	45,316	26,887	-	72,203	24,804	4,377	-	29,181
Depreciation	-	14,612	-	14,612	-	31,988	-	31,988
Total Expenses	<u>\$ 8,488,436</u>	<u>\$ 2,197,569</u>	<u>\$ 1,011,434</u>	<u>\$ 11,697,439</u>	<u>\$ 7,699,510</u>	<u>\$ 1,938,079</u>	<u>\$ 847,081</u>	<u>\$ 10,484,670</u>

See notes to financial statements

50CAN, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,171,793	\$ 171,785
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	14,612	31,988
Net realized and unrealized gain on investments	(13,521)	(4,037)
Changes in operating assets and liabilities		
Receivables	(2,260,234)	1,424,485
Prepaid expenses	522	(29,695)
Inventory	122	113
Deferred revenue	(67,400)	67,400
Accounts payable and accrued expenses	440,701	(214,288)
Net Cash from Operating Activities	1,286,595	1,447,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(8,480)	(56,595)
Proceeds from sales of investments	-	64,297
Net Cash from Investing Activities	(8,480)	7,702
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	-	(307,321)
Net Change in Cash and Cash Equivalents	1,278,115	1,148,132
CASH AND CASH EQUIVALENTS		
Beginning of year	5,089,084	3,940,952
End of year	\$ 6,367,199	\$ 5,089,084

See notes to financial statements

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

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

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.

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

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, 2021 and 2020.

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.

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

Donated services (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.

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.

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

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

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.

Contract assets as of January 1, 2020 consisted of \$917,270 of other receivables. There were no contract liabilities as of January 1, 2020.

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, 2021 and 2020, advertising expense totaled \$221,931 and \$108,357.

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.

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 2018.

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

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

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 August 26, 2022.

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, 2021 and 2020, one and four donors accounted for 35% and 45% of total contributions. As of December 31, 2021 and 2020 three and two donors accounted for 94% and 15% of contributions receivable.

5. Notes Payable

50CAN entered into a loan agreement for new software with Leaf Capital Funding, LLC during 2017, in the original amount of \$23,959. Monthly payments of principal were \$665 with no interest. The loan was repaid in full as of December 31, 2020.

During the year ended December 31, 2018, 50CAN entered into a loan agreement for \$300,000 with 50CAN Action Fund, Inc., an independent not-for profit entity exempt from tax under 501(c)(4). The loan was repaid in full as of December 31, 2020.

6. Paycheck Protection Program

50CAN received loan proceeds in the amount of \$994,209 under the Paycheck Protection Program (the "PPP") during 2020. 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"). This PPP loan was forgiven in full by the SBA on February 15, 2021 and is reported as income in the statement of activities for 2020.

On April 7, 2021, 50CAN received a second PPP loan totaling \$1,063,895. The terms of this loan are similar to the first PPP loan. This 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.

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

7. Contributions Receivable

Contributions receivables due in less than one year at December 31, 2021 and 2020 were \$3,244,206 and \$983,858.

8. Property and Equipment

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

	2021	2020
Equipment and software	\$ 207,570	\$ 207,570
Furniture and fixtures	57,076	57,076
	264,646	264,646
Accumulated depreciation	(234,781)	(220,169)
	<u>\$ 29,865</u>	<u>\$ 44,477</u>

9. Net Assets with Donor Restrictions

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

	2021	2020
Restriction by initiative:		
Affiliate	\$ 327,485	\$ -
North Carolina (CarolinaCAN)	7,031	-
National	1,529,417	432,151
Connecticut (ConnCAN)	82,740	24,635
New Jersey (JerseyCAN)	39,560	33,243
South Carolina (South CarolinaCAN)	-	51,844
Florida (FloridaCAN)	66,485	66,485
Tennessee (TennesseeCAN)	1,242,239	1,076,377
Delaware (DelawareCAN)	444,502	200,000
Hawaii (HawaiiKidsCAN)	184,102	149,589
Georgia (GeorgiaCAN)	676,334	364,078
New Mexico (NMCAN)	274,521	99,863
Partnership for Educational Justice (PEJ)	24,844	218,504
National Voices	824,282	199,455
Sponsorships	-	390,715
My Child My Choice	175,331	101,524
ECRN (CA)	582,739	-
PACE	71,449	-
FCCS	472,876	-
SchoolFactsBoston	391,744	185,253
	<u>\$ 7,417,681</u>	<u>\$ 3,593,716</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

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

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

	2021	2020
Restriction by initiative:		
National	\$ -	\$ 646,457
New Jersey (JerseyCAN)	33,243	232,788
Connecticut (ConnCAN)	24,635	66,788
South Carolina (South CarolinaCAN)	51,844	-
Tennessee (TennesseeCAN)	1,061,377	605,649
National Voices	199,455	298,365
Florida (FloridaCAN)	-	190,791
Georgia (GeorgiaCAN)	364,078	730,459
Delaware (DelawareCAN)	200,000	200,000
Hawaii (HawaiiKidsCAN)	149,589	213,880
New Mexico (NMCAN)	99,863	82,030
Affiliate	-	75,000
Sponsorships	390,715	886,981
Partnership for Educational Justice (PEJ)	193,660	209,638
My Child My Choice	83,135	-
SchoolFactsBoston	185,253	121,411
	<u>\$ 3,036,847</u>	<u>\$ 4,560,237</u>

10. Liquidity and Availability

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

	2021	2020
Cash and cash equivalents	\$ 6,367,199	\$ 5,089,084
Receivables	4,874,739	2,614,505
Investments	<u>74,092</u>	<u>52,091</u>
Financial Assets as of Year End	11,316,030	7,755,680
Amounts unavailable for general expenditures due to:		
Subject to donor purpose restrictions	<u>(7,417,681)</u>	<u>(3,593,716)</u>
	<u>\$ 3,898,349</u>	<u>\$ 4,161,964</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, 2021 and 2020

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. Rent expense amounted to \$172,815 and \$334,969 for the years ended December 31, 2021 and 2020.

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, 2021 and 2020 totaled \$186,980 and \$191,252.

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 \$504,645 and \$631,918 for the years ended December 31, 2021 and 2020. As of December 31, 2021 and 2020 \$1,630,533 and \$1,630,647 was due from 50CAN Action Fund which is included in other receivables as of December 31, 2021 and 2020.

14. Asset Agreements - Deemed Contributions

On May 17, 2018, the Board of Directors of 50CAN, Inc. and Connecticut Coalition for Achievement Now (ConnCAN) entered into an agreement to transfer certain assets from ConnCAN to 50CAN, Inc. The assets of ConnCAN will help 50CAN, Inc. achieve its mission, which is similar to that of ConnCAN. During the year ended December 31, 2021, 50CAN, Inc. received \$324,919 from ConnCAN. ConnCAN is currently winding down operations.

As of December 31, 2021, a deemed contribution of \$324,919 was recognized equal to the fair value of ConnCAN assets transferred to 50CAN, Inc.

The following assets were transferred in connection with the asset transfer (at fair value):

Cash	<u>\$ 324,919</u>
Net Deemed Contribution	<u>\$ 324,919</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2021 and 2020

15. COVID-19

The Coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact on future results of operations, cash flows, or financial condition.

16. Subsequent Event

Summer Boost NYC was created to reach 25,000 New York City K-8 students whose learning loss has been exacerbated by the COVID-19 pandemic. 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. 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 \$15,163,112 in revenue to support this program. The grant period is April 1, 2022 to October 1, 2022.

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