

50CAN, Inc.

Financial Statements

December 31, 2019 and 2018

Independent Auditors' Report

Board of Directors
50CAN, Inc.

We have audited the accompanying financial statements of 50CAN, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors

50 CAN, Inc.

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Opinion

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, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

Bethesda, Maryland

December 16, 2020

50CAN, Inc.

Statements of Financial Position

| | December 31, | |
|---------------------------------------|---------------------|---------------------|
| | 2019 | 2018 |
| ASSETS | | |
| Cash and cash equivalents | \$ 3,940,952 | \$ 1,345,093 |
| Contributions receivable, net | 3,121,720 | 1,321,035 |
| Other receivables | 917,270 | 605,935 |
| Investments | 55,756 | 56,204 |
| Prepaid expenses | 28,404 | 66,410 |
| Deposits | 32,216 | 38,084 |
| Inventory | 15,716 | 22,074 |
| Property and equipment, net | <u>76,465</u> | <u>111,518</u> |
| | <u>\$ 8,188,499</u> | <u>\$ 3,566,353</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 422,746 | \$ 458,862 |
| Notes payable | <u>307,321</u> | <u>315,307</u> |
| Total Liabilities | <u>730,067</u> | <u>774,169</u> |
| Net Assets | | |
| Without donor restrictions | 640,666 | 772,213 |
| With donor restrictions | <u>6,817,766</u> | <u>2,019,971</u> |
| Total Net Assets | <u>7,458,432</u> | <u>2,792,184</u> |
| | <u>\$ 8,188,499</u> | <u>\$ 3,566,353</u> |

See notes to financial statements

50CAN, Inc.

Statements of Activities

| | Year Ended December 31, 2019 | | | Year Ended December 31, 2018 | | |
|--|-------------------------------|----------------------------|-------------------|-------------------------------|----------------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUE | | | | | | |
| Contributions | \$ 8,007,948 | \$ 6,400,953 | \$ 14,408,901 | \$ 9,286,371 | \$ 1,535,026 | \$10,821,397 |
| In-kind contributions - legal services | 8,352 | - | 8,352 | 18,078 | - | 18,078 |
| Service fees and other income | 1,067,959 | - | 1,067,959 | 868,130 | - | 868,130 |
| Investment income | 1,174 | - | 1,174 | 5 | - | 5 |
| Net assets released from restrictions | 1,603,158 | (1,603,158) | - | 997,082 | (997,082) | - |
| Total Revenue | 10,688,591 | 4,797,795 | 15,486,386 | 11,169,666 | 537,944 | 11,707,610 |
| EXPENSES | | | | | | |
| Program services | 8,435,473 | - | 8,435,473 | 9,606,246 | - | 9,606,246 |
| Management and general | 1,667,013 | - | 1,667,013 | 1,121,872 | - | 1,121,872 |
| Fundraising | 717,652 | - | 717,652 | 964,633 | - | 964,633 |
| Total Expenses | 10,820,138 | - | 10,820,138 | 11,692,751 | - | 11,692,751 |
| Change in Net Assets | (131,547) | 4,797,795 | 4,666,248 | (523,085) | 537,944 | 14,859 |
| NET ASSETS | | | | | | |
| Beginning of year | 772,213 | 2,019,971 | 2,792,184 | 1,295,298 | 1,482,027 | 2,777,325 |
| End of year | \$ 640,666 | \$ 6,817,766 | \$ 7,458,432 | \$ 772,213 | \$ 2,019,971 | \$ 2,792,184 |

See notes to financial statements

50CAN, Inc.

Statements of Functional Expenses

| | Year Ended December 31, 2019 | | | | Year Ended December 31, 2018 | | | |
|-----------------------------------|------------------------------|---------------------------|-------------------|----------------------|------------------------------|---------------------------|-------------------|----------------------|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| EXPENSES | | | | | | | | |
| Salaries and related expenses | \$ 4,191,352 | \$ 1,003,993 | \$ 669,329 | \$ 5,864,674 | \$ 4,818,623 | \$ 565,591 | \$ 769,732 | \$ 6,153,946 |
| Professional fees | | | | | | | | |
| Legal | 57,811 | 59,740 | - | 117,551 | 34,345 | 61,589 | - | 95,934 |
| In-kind expenses - legal services | 8,352 | - | - | 8,352 | 18,078 | - | - | 18,078 |
| Accounting | - | 19,379 | - | 19,379 | - | 46,957 | - | 46,957 |
| Graphic design services | 110,180 | - | - | 110,180 | 357,336 | - | - | 357,336 |
| IT services | 26,469 | 61,762 | - | 88,231 | 25,662 | 61,168 | - | 86,830 |
| Professional fundraiser | - | - | 535 | 535 | - | - | 126,013 | 126,013 |
| Consulting | 806,670 | 171,915 | 8,079 | 986,664 | 1,841,820 | 89,063 | 12,090 | 1,942,973 |
| Program stipend | 1,321,646 | - | - | 1,321,646 | 838,038 | - | - | 838,038 |
| Grants made | 549,616 | - | - | 549,616 | 335,316 | - | - | 335,316 |
| Public relations | 213,045 | - | - | 213,045 | 308,672 | - | - | 308,672 |
| Occupancy and related expenses | 265,747 | 33,218 | 33,218 | 332,183 | 295,321 | 36,915 | 36,915 | 369,151 |
| Travel and meetings | 433,860 | 75,921 | 1,019 | 510,800 | 319,931 | 13,103 | 11,197 | 344,231 |
| Program expense | 100,848 | 30,535 | - | 131,383 | 114,695 | 7,708 | 4,753 | 127,156 |
| Information technology | 157,514 | 78,756 | 2,387 | 238,657 | 185,137 | 95,257 | 2,219 | 282,613 |
| Office related expenses | 100,572 | 56,577 | 3,085 | 160,234 | 79,800 | 59,902 | 1,714 | 141,416 |
| Insurance | 4,116 | 23,326 | - | 27,442 | 5,822 | 32,992 | - | 38,814 |
| Staff development | 87,675 | 15,138 | - | 102,813 | 27,650 | 14,387 | - | 42,037 |
| Depreciation | - | 36,753 | - | 36,753 | - | 37,240 | - | 37,240 |
| Total Expenses | <u>\$ 8,435,473</u> | <u>\$ 1,667,013</u> | <u>\$ 717,652</u> | <u>\$ 10,820,138</u> | <u>\$ 9,606,246</u> | <u>\$ 1,121,872</u> | <u>\$ 964,633</u> | <u>\$ 11,692,751</u> |

See notes to financial statements

50CAN, Inc.

Statements of Cash Flows

| | Year Ended December 31, | |
|--|----------------------------|---------------------|
| | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 4,666,248 | \$ 14,859 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 36,753 | 37,240 |
| Net realized and unrealized loss on investments | 3,155 | - |
| Changes in operating assets and liabilities | | |
| Receivables | (2,112,020) | (593,000) |
| Prepaid expenses | 38,006 | (20,865) |
| Deposits | 5,868 | (14,700) |
| Inventory | 6,358 | (1,158) |
| Accounts payable and accrued expenses | (36,116) | 170,369 |
| Net Cash from Operating Activities | <u>2,608,252</u> | <u>(407,255)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (54,000) | (56,204) |
| Proceeds from sales of investments | 51,293 | - |
| Purchase of property and equipment | <u>(1,700)</u> | <u>(57,540)</u> |
| Net Cash from Investing Activities | <u>(4,407)</u> | <u>(113,744)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | - | 300,000 |
| Payments on notes payable | <u>(7,986)</u> | <u>(7,987)</u> |
| Net Cash from Financing Activities | <u>(7,986)</u> | <u>292,013</u> |
| Net Change in Cash and Cash Equivalents | 2,595,859 | (228,986) |
| CASH AND CASH EQUIVALENTS | | |
| Beginning of year | <u>1,345,093</u> | <u>1,574,079</u> |
| End of year | <u>\$ 3,940,952</u> | <u>\$ 1,345,093</u> |

See notes to financial statements

50CAN, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

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.

Change in Accounting Principle

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). The ASU 2018-08 provides a framework for evaluating whether contributions should be accounted for as exchange transactions or as non-exchange transactions. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018. 50CAN adopted ASU 2018-08 on a modified prospective basis and has determined that there is no material impact on the financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP require 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 Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

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, for three to five years. All acquisitions of property and equipment in excess of \$1,000 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.

Allowance for Doubtful Accounts

An allowance for uncollectible contributions 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.

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 Financial Statements
December 31, 2019 and 2018

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.

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.

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 employee percentages to total salaries. Occupancy is charged based on hours of 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.

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 2016.

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 December 16, 2020.

3. Investments

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

50CAN, Inc.

Notes to Financial Statements December 31, 2019 and 2018

4. Concentrations

Financial instruments that potentially subject 50CAN to concentrations of credit risk consist principally of cash and cash equivalents. 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.

For the year ended December 31, 2019 two donors accounts for 52% of total contributions and for the year ended December 31, 2018 one donor accounted for 36% of total contributions. As of December 31, 2019 and 2018 three donors accounted for 88% and 51% 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 are \$665 with no interest. The outstanding balance at December 31, 2019 and 2018 was \$7,321 and \$15,307.

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 outstanding balance at both December 31, 2019 and 2018 was \$300,000. The amount is agreed to be paid in full without interest by December 31, 2020.

Annual maturity for the year ending December 31, 2020 is \$307,321.

6. Contributions Receivable

Contributions receivable, net is summarized as follows at December 31:

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Receivables due in less than one year | \$ 3,096,720 | \$ 1,321,231 |
| Receivables due in one to five years | 25,000 | 25,000 |
| Total Contributions Receivable | 3,121,720 | 1,346,231 |
| Reserve for doubtful contribution receivables | - | (25,196) |
| | <u>\$ 3,121,720</u> | <u>\$ 1,321,035</u> |

7. Property and Equipment

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

| | 2019 | 2018 |
|--------------------------|------------------|-------------------|
| Equipment and software | \$ 207,570 | \$ 207,570 |
| Furniture and fixtures | 57,076 | 55,376 |
| | 264,646 | 262,946 |
| Accumulated depreciation | (188,181) | (151,428) |
| | <u>\$ 76,465</u> | <u>\$ 111,518</u> |

50CAN, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

8. Net Assets with Donor Restrictions

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

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Restriction by initiative: | | |
| Affiliate | \$ 75,000 | \$ 30,000 |
| National | 1,078,610 | 82,258 |
| Connecticut (Conn CAN) | 91,423 | - |
| Virginia (VACAN) | - | 25,000 |
| North Carolina (CarolinaCAN) | - | 20,082 |
| New Jersey (JerseyCAN) | 266,030 | 18,333 |
| South Carolina (South CarolinaCAN) | - | 2,500 |
| Florida (FloridaCAN) | 344,899 | 50,000 |
| Tennessee (TennesseeCAN) | 655,248 | 140,019 |
| Delaware (DelawareCAN) | 400,000 | 200,000 |
| Hawaii (HawaiiKidsCAN) | 213,880 | 208,750 |
| Georgia (GeorgiaCAN) | 1,004,848 | 350,000 |
| New Mexico (New MexicoKidsCAN) | 82,030 | 20,000 |
| Partnership for Educational Justice (PEJ) | 428,142 | 220,948 |
| National Voices | 497,820 | - |
| Sponsorships | 1,373,172 | 307,536 |
| My Child My Choice | - | 98,655 |
| SchoolFactsBoston | 306,664 | 245,890 |
| | <u>\$ 6,817,766</u> | <u>\$ 2,019,971</u> |

50CAN, Inc.

Notes to Financial Statements December 31, 2019 and 2018

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

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

| | 2019 | 2018 |
|---|---------------------|-------------------|
| Restriction by initiative: | | |
| Virginia (VACAN) | \$ 25,000 | \$ - |
| North Carolina (CarolinaCAN) | 20,082 | - |
| National | 82,258 | - |
| New Jersey (JerseyCAN) | 18,333 | 120,000 |
| Pennsylvania (PennCAN) | - | 60,113 |
| South Carolina (South CarolinaCAN) | 2,500 | 108,640 |
| Tennessee (TennesseeCAN) | 65,564 | - |
| Florida (FloridaCAN) | 50,000 | - |
| Georgia (GeorgiaCAN) | 350,000 | 110,000 |
| Delaware (DelawareCAN) | 200,000 | 28,015 |
| Hawaii (HawaiiKidsCAN) | 208,750 | 101,605 |
| New Mexico (NMCAN) | 20,000 | 52,076 |
| Affiliate | 30,000 | - |
| Sponsorships | 307,536 | 183,145 |
| Partnership for Educational Justice (PEJ) | - | 233,488 |
| My Child My Choice | 98,655 | - |
| SchoolFactsBoston | 124,480 | - |
| | <u>\$ 1,603,158</u> | <u>\$ 997,082</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:

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 3,940,952 | \$ 1,345,093 |
| Receivables | 4,038,990 | 1,926,970 |
| Investments | <u>55,756</u> | <u>56,204</u> |
| Financial Assets as of Year End | 8,035,698 | 3,328,267 |
| Amounts unavailable for general expenditures due to: | | |
| Subject to donor purpose restrictions | <u>(6,817,766)</u> | <u>(2,019,971)</u> |
| | <u>\$ 1,217,932</u> | <u>\$ 1,308,296</u> |

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

50CAN, Inc.

Notes to Financial Statements December 31, 2019 and 2018

10. Lease Commitments

50CAN occupies office space under lease agreements in several states with lease agreements expiring through July 2021. Rent expense amounted to \$332,183 and \$369,151 for the years ended December 31, 2019 and 2018. 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.

Future minimum annual rentals at December 31, 2019 under the office leases are scheduled to be paid as follows:

| <u>Year Ending December 31,</u> | <u>Minimum Lease Commitment</u> |
|---------------------------------|---|
| 2021 | <u>\$ 152,441</u> |

11. 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, 2019 and 2018 totaled \$145,927 and \$172,167.

12. 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 \$507,678 and \$955,740 for the years ended December 31, 2019 and 2018. As of December 31, 2019 and 2018 \$917,270 and \$605,935 was due from 50CAN Action Fund which is included in other receivables as of December 31, 2019 and 2018.

50CAN, Inc.

Notes to Financial Statements
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13. Subsequent Event

Covid-19

50CAN's operations and financial performance may be affected by the recent coronavirus outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, 50CAN may experience a disruption in operations. It is not known how the outbreak will affect 50CAN's business, financial conditions and results of operations on an interim basis.

50CAN has, however, taken several steps to strengthen its financial position and to maintain financial liquidity and flexibility. 50CAN applied for and has received Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration in the amount of \$994,209. The PPP Loan matures in May 2022, has an interest rate of 1.0% per annum, and is forgivable in whole or in part if 50CAN expends the PPP Loan on personnel or other qualified expenses for a period of up to 24 weeks from the date of the PPP loan. No payments are due on the PPP Loan until a final decision is made on the loan forgiveness.

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