

50CAN, Inc.

Financial Statements

December 31, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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' 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 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 3, 2024

50CAN, Inc.

Statements of Financial Position

	December 31,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 12,867,796	\$ 9,202,911
Contributions receivable	5,639,704	2,165,597
Other receivables	543,482	441,341
Investments	164,165	68,455
Prepaid expenses	95,346	49,538
Deposits	15,600	7,000
Right-of-use asset - operating leases	508,989	186,419
Inventory	15,225	15,360
Property and equipment, net	-	563
	<u>\$ 19,850,307</u>	<u>\$ 12,137,184</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,426,512	\$ 418,919
Operating lease liabilities	<u>456,775</u>	<u>188,019</u>
Total Liabilities	<u>1,883,287</u>	<u>606,938</u>
Net Assets		
Without donor restrictions	4,664,317	4,085,903
With donor restrictions	<u>13,302,703</u>	<u>7,444,343</u>
Total Net Assets	<u>17,967,020</u>	<u>11,530,246</u>
	<u>\$ 19,850,307</u>	<u>\$ 12,137,184</u>

See notes to financial statements

50CAN, Inc.

Statements of Activities

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 1,057,937	\$ 74,913,395	\$ 75,971,332	\$ 793,224	\$ 33,706,449	\$ 34,499,673
In-kind contributions - legal services	5,345	-	5,345	217,345	-	217,345
Service fees and other income	4,442,879	-	4,442,879	3,179,574	-	3,179,574
Other income	111	-	111	9,857	-	9,857
Investment income (loss)	199,950	-	199,950	(19,753)	-	(19,753)
Net assets released from restrictions	<u>69,055,035</u>	<u>(69,055,035)</u>	<u>-</u>	<u>33,679,787</u>	<u>(33,679,787)</u>	<u>-</u>
Total Revenue	<u>74,761,257</u>	<u>5,858,360</u>	<u>80,619,617</u>	<u>37,860,034</u>	<u>26,662</u>	<u>37,886,696</u>
EXPENSES						
Program services	69,680,433	-	69,680,433	33,311,080	-	33,311,080
Management and general	4,251,070	-	4,251,070	2,756,839	-	2,756,839
Fundraising	<u>251,340</u>	<u>-</u>	<u>251,340</u>	<u>1,090,541</u>	<u>-</u>	<u>1,090,541</u>
Total Expenses	<u>74,182,843</u>	<u>-</u>	<u>74,182,843</u>	<u>37,158,460</u>	<u>-</u>	<u>37,158,460</u>
Change in Net Assets	578,414	5,858,360	6,436,774	701,574	26,662	728,236
NET ASSETS						
Beginning 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>
End of year	<u>\$ 4,664,317</u>	<u>\$ 13,302,703</u>	<u>\$ 17,967,020</u>	<u>\$ 4,085,903</u>	<u>\$ 7,444,343</u>	<u>\$ 11,530,246</u>

See notes to financial statements

50CAN, Inc.

Statements of Functional Expenses

	Year Ended December 31, 2023				Year Ended December 31, 2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
EXPENSES								
Grants made	\$ 55,805,282	\$ 300	\$ -	\$ 55,805,582	\$ 23,298,911	\$ -	\$ -	\$ 23,298,911
Salaries and related expenses	5,574,803	2,360,885	242,283	8,177,971	4,726,138	1,558,440	1,080,450	7,365,028
Professional Fees								
Legal	25,558	64,104	-	89,662	-	86,439	-	86,439
In-kind expenses - legal services	5,345	-	-	5,345	217,345	-	-	217,345
Accounting	920	65,298	-	66,218	-	129,864	-	129,864
IT services	4,158	46,933	-	51,091	18,845	43,971	-	62,816
Professional fundraiser	-	7,779	750	8,529	18,654	3,282	-	21,936
Consulting	6,297,807	837,007	-	7,134,814	2,589,080	460,869	-	3,049,949
Program stipend	905,893	70,748	6,667	983,308	1,193,543	-	-	1,193,543
Public relations	136,580	71,437	-	208,017	151,126	-	-	151,126
Occupancy and related expenses	38,261	52,279	-	90,540	41,943	5,243	5,243	52,429
Travel and meetings	345,204	182,019	1,072	528,295	194,239	93,250	1,176	288,665
Events	127,700	13,559	-	141,259	261,222	-	-	261,222
Information technology	67,639	277,823	-	345,462	238,890	119,445	3,620	361,955
Office related expenses	234,347	106,946	499	341,792	197,158	85,996	52	283,206
Insurance	1,491	55,676	-	57,167	8,210	46,523	-	54,733
Staff development	7,836	26,346	69	34,251	72,363	84,947	-	157,310
Marketing	101,609	11,368	-	112,977	83,413	9,268	-	92,681
Depreciation	-	563	-	563	-	29,302	-	29,302
Total Expenses	<u>\$ 69,680,433</u>	<u>\$ 4,251,070</u>	<u>\$ 251,340</u>	<u>\$ 74,182,843</u>	<u>\$ 33,311,080</u>	<u>\$ 2,756,839</u>	<u>\$ 1,090,541</u>	<u>\$ 37,158,460</u>

See notes to financial statements

50CAN, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,436,774	\$ 728,236
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	563	29,302
Donated securities	(67,819)	-
Amortization of right-of-use asset	64,890	13,600
Net realized and unrealized (gain) loss on investments	(27,891)	20,864
Discount to net present value of receivables	189,949	-
Changes in operating assets and liabilities		
Receivables	(3,766,197)	2,267,801
Prepaid expenses	(45,808)	8,039
Deposits	(8,600)	25,216
Inventory	135	121
Operating lease liability	(118,704)	(12,000)
Accounts payable and accrued expenses	<u>1,007,593</u>	<u>(230,240)</u>
Net Cash from Operating Activities	<u>3,664,885</u>	<u>2,850,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(77,393)
Proceeds from sales of investments	<u>-</u>	<u>62,166</u>
Net Cash from Investing Activities	<u>-</u>	<u>(15,227)</u>
Net Change in Cash and Cash Equivalents	3,664,885	2,835,712
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>9,202,911</u>	<u>6,367,199</u>
End of year	<u>\$ 12,867,796</u>	<u>\$ 9,202,911</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for amounts included in the measurement of lease liabilities	\$125,600	\$12,000
ROU assets obtained in exchange for operating lease obligation	387,460	199,453

See notes to financial statements

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

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.

Adoption of New Accounting Policy

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. The pronouncement and subsequently issued Accounting Standards Updates, classified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an “expected loss” model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023 expanded 50CAN’s required disclosures for its expected credit losses for its program service fee receivables but did not have a material impact on its financial statements.

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

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

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 depreciation and functional expense allocation. Actual results could differ from those estimates.

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.

Allowance for Doubtful Accounts

An allowance for uncollectible contributions receivables is provided based on management's evaluation of potential uncollectible contributions receivables at year end. 50CAN has considered a number of factors in evaluating this reserve including the economy and payment history. Management has determined no allowance was required at December 31, 2023 and 2022.

Other Receivables

Subsequent to January 1, 2023, other receivables are recorded at the amount of expenses and resources allocate to the 50CAN Action Fund less subsequent payments and an allowance for credit losses that are not expected to be recovered. The amount of other receivables and corresponding allowance for credit losses are presented on the accompanying statements of financial position. 50CAN maintains allowances for credit losses resulting from the expected failure or inability of 50CAN Action Fund to make required payments. 50CAN assesses credit losses at inception and reassess at every reporting date based on remaining receivable's collectability. The allowance is based on multiple factors including historical experience, the credit quality of the organization, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. 50CAN's allowance for credit losses is based on the assessment of the collectability of other receivables pooled together with similar risk characteristics. Prior to January 1, 2023, 50CAN estimated the allowance for doubtful accounts based on historical collection experience, estimates of the borrowers creditworthiness, and current economic conditions. At December 31, 2023 and 2022, 50CAN's management deemed that no allowance was required based on the assessment.

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

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

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. All 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.

In-kind contributions consist of the following for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>Usage</u>	<u>Donor Restriction</u>
Legal services	\$ 5,345	\$ 217,345	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.

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

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.

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, 2023 and 2022, advertising expense totaled \$46,056 and \$23,946.

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.

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.

Operating Leases

50CAN leases office space and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use asset – operating lease (“ROU assets”), and operating lease liabilities on the accompanying statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. 50CAN uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

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

Operating Leases (continued)

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that 50CAN will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

50CAN's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

50CAN has elected not to record leases with an initial term of twelve months or less on the statements of financial position. The expenses on such leases is recognized on a straight-line basis over the lease term.

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 2020.

Reclassification

Certain 2022 accounts have been reclassified to conform to the 2023 financial statements presentation.

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 3, 2024.

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, 2023 and 2022, one donor accounted for 70% and 56% of total contributions. As of December 31, 2023 and 2022 four donors accounted for 88% and 80% of contributions receivable.

50CAN, Inc.

Notes to the Financial Statements December 31, 2023 and 2022

5. Contributions Receivable

At December 31, 2023 and 2022, contributions receivable consists of contributions primarily from private foundations. At December 31, 2023, the long-term portion of contributions receivable has been discounted to net present value using a discount rate of 5%.

Contributions are scheduled to be collected as follows at December 31:

	<u>2023</u>	<u>2022</u>
Receivables due in less than one year	\$ 4,829,653	\$ 2,165,597
Receivables due in one to five years	<u>1,000,000</u>	<u>-</u>
	5,829,653	2,165,597
Discount to net present value	<u>(189,949)</u>	<u>-</u>
	<u>\$ 5,639,704</u>	<u>\$ 2,165,597</u>

6. Property and Equipment

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

	<u>2023</u>	<u>2022</u>
Equipment and software	\$ 233,229	\$ 233,229
Furniture and fixtures	<u>31,417</u>	<u>31,417</u>
	264,646	264,646
Accumulated depreciation	<u>(264,646)</u>	<u>(264,083)</u>
	<u>\$ -</u>	<u>\$ 563</u>

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

7. Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Restriction by initiative:		
Latinos for Educational Advocacy and Diversity (LEAD)	\$ 940,665	\$ 419,620
North Carolina (CarolinaCAN)	20,275	8,710
National	4,372,965	586,349
Connecticut (ConnCAN)	297,249	397,740
New Jersey (JerseyCAN)	143,620	59,539
P.S. 305	66,485	66,485
Tennessee (TennesseeCAN)	1,961,508	1,086,478
Delaware (DelawareCAN)	114,920	284,995
Hawaii (HawaiiKidsCAN)	828,063	639,567
Georgia (GeorgiaCAN)	1,325,146	1,023,750
New Mexico (NMKidsCAN)	115,169	69,549
Louisiana (LA Kdis Matter)	877,207	-
Partnership for Educational Justice (PEJ)	16,546	16,546
National Voices	283,143	457,744
Schmidt Futures	21,250	200,000
My Child My Choice	94,193	124,270
Education Civil Rights Now (ECRN)	109,783	149,679
NJ Education Report (NJER)	112,853	71,005
P.A.C.E. Strategies	-	84,997
Pilina Education	23,125	-
Freedom Coalition for Charter Schools (FCCS)	1,333,058	1,597,320
SchoolFactsBoston	245,480	100,000
	<u>\$ 13,302,703</u>	<u>\$ 7,444,343</u>

50CAN, Inc.

Notes to the Financial Statements December 31, 2023 and 2022

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

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

	2023	2022
Restriction by initiative:		
Summerboost	\$ 59,808,643	\$ 24,560,910
National	8,383	1,198,068
North Carolina (CarolinaCAN)	93,435	105,321
New Jersey (JerseyCAN)	742,069	594,021
Connecticut (ConnCAN)	886,017	936,864
South Carolina (South CarolinaCAN)	-	307,951
Tennessee (TennesseeCAN)	839,972	999,757
National Voices	174,601	616,538
Georgia (GeorgiaCAN)	696,357	642,860
Delaware (DelawareCAN)	205,075	237,689
Hawaii (HawaiiKidsCAN)	307,304	454,566
New Mexico (NMKidsCAN)	329,757	371,069
Louisiana (LA Kdis Matter)	572,793	-
Latinos for Educational Advocacy and Diversity (LEAD)	1,528,593	921,365
Partnership for Educational Justice (PEJ)	-	8,299
Schmidt Futures	428,750	-
My Child My Choice	30,076	51,061
Education Civil Rights Now (ECRN)	414,921	463,060
NJ Education Report (NJER)	258,151	103,995
P.A.C.E. Strategies	361,065	353,298
Pilina Education	1,875	-
Freedom Coalition for Charter Schools (FCCS)	746,656	461,351
RISE	366,022	-
SchoolFactsBoston	254,520	291,744
	\$ 69,055,035	\$ 33,679,787

50CAN, Inc.

Notes to the Financial Statements
December 31, 2023 and 2022

8. Liquidity and Availability

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 12,867,796	\$ 9,202,911
Receivables	6,183,186	2,606,938
Investments	<u>164,165</u>	<u>68,455</u>
Financial Assets as of Year End	19,215,147	11,878,304
Amounts unavailable for general expenditures due to:		
Subject to donor purpose restrictions	<u>(13,302,703)</u>	<u>(7,444,343)</u>
	<u>\$ 5,912,444</u>	<u>\$ 4,433,961</u>

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

9. 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 was renewed for 2023 and expanded to eight cities nationwide. The program generated \$62,998,518 and \$24,560,910 in donor restricted contributions during the years ended December 31, 2023 and 2022. 50CAN distributed \$55,388,782 and \$22,645,910 to Charter Schools associated with the program during the years ended December 31, 2023 and 2022. 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.

10. Operating Leases

In August 2022, 50CAN entered into a lease agreement 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. During 2023, 50CAN entered into two additional lease agreements for office space on behalf of organizations they support. One agreement carries a term of 3 years commencing in November 2023 and the other carries a term of 5 years commencing in August 2023 and both are dependent on the organizations' annual grant renewals.

50CAN, Inc.

Notes to the Financial Statements December 31, 2023 and 2022

10. Operating Leases (continued)

Right of use assets consist of the following at December 31:

	2023	2022
ROU Asset	\$ 586,913	\$ 199,453
Accumulated amortization	(77,924)	(13,600)
	<u>\$ 508,989</u>	<u>\$ 185,853</u>
Weighted average remaining lease term	3.64 years	4.66 years
Weighted average discount rate	3.92%	0.87%

The components of lease cost were as follows for the years ended December 31:

	2023	2022
Lease expense		
Operating lease cost	\$ 71,755	\$ 13,600
Short-term lease cost	18,785	38,829
Total lease expense	<u>\$ 90,540</u>	<u>\$ 52,429</u>

The future minimum lease payments under these operating leases are as follows for the year ending December 31:

2024	\$ 130,425
2025	132,911
2026	134,619
2027	85,090
2028	33,878
Total minimum lease payments	516,922
Less present value discount	(60,147)
Present value of lease liability	<u>\$ 456,775</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, 2023 and 2022 totaled \$259,689 and \$211,988.

50CAN, Inc.

Notes to the Financial Statements
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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 quarterly basis for direct and indirect services incurred. 50CAN billed 50CAN Action Fund \$850,778 and \$438,399 for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, \$543,482 and \$441,341 was due from 50CAN Action Fund which is included in other receivables.

13. Subsequent Events

In April 2024, 50CAN received a multiyear grant agreement from a private foundation to launch the State Implementation Fund. The purpose of the grant is to assist governors and state education chiefs in five to eight states implement education policy solutions required to address learning loss and improve student outcomes. The grant agreement totaled \$40 million and commenced in May 2024.

Summer Boost 2024 was created to reach 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 for the summer of 2024. Providing the support services and fiscal sponsorship to the 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 \$70 million in revenue to support this program.

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