AMERICAN CORPORATE PARTNERS, INC.

Financial Statements and
Independent Auditors' Report
Years Ended
December 31, 2019 and 2018

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Financial Statements
Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Corporate Partners, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of American Corporate Partners, Inc. as of December 31, 2019 and 2018, and the related statements of activities and cash flows for each of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Corporate Partners Inc. as of December 31, 2019 and 2018 and the changes in net assets and its cash flows for each of the years ended December 31, 2019 and 2018 in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RBSM LLP

New York, New York
March 30, 2020

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 6,003,943	$ 4,946,486
Certificate of deposit - restricted	308,661	301,790
Prepaid expenses	110,395	36,741
Leasehold inprovements, furniture and equipment-net	200,422	240,813
TOTAL ASSETS	$ 6,623,421	$ 5,525,830
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 278,970	$ 275,181
TOTAL LIABILITIES	278,970	275,181
Net Assets :		
Net assets without donor restrictions	6,344,451	5,250,649
TOTAL NET ASSETS	6,344,451	5,250,649
TOTAL LIABILITIES AND NET ASSETS	$ 6,623,421	$ 5,525,830

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF ACTIVITIES

	Years ended December 31, 2019	2018
CONTRIBUTIONS AND PROGRAM REVENUES:		
Grants in cash	$ 5,144,350	$ 5,359,947
TOTAL CONTRIBUTIONS	5,144,350	5,359,947
EXPENSES:		
(See Schedule of Functional Expenses for detail)		
Programs	3,533,573	3,398,275
Fundraising	393,912	486,150
Support services	135,053	134,800
TOTAL EXPENSES	4,062,538	4,019,225
CHANGE IN NET ASSETS BEFORE OTHER INCOME	1,081,812	1,340,722
OTHER INCOME:		
Interest income	11,990	5,609
TOTAL OTHER INCOME	11,990	5,609
CHANGE IN NET ASSETS	1,093,802	1,346,331
NET ASSETS, BEGINNING OF YEAR	5,250,649	3,904,318
NET ASSETS, END OF YEAR	$ 6,344,451	$ 5,250,649

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2019	2018
OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	$ 1,093,802	$ 1,346,331
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	50,065	52,775
Change in operating assets and liabilities:		
Prepaid expenses	(73,654)	(9,587)
Accounts payable and accrued expenses	3,789	86,330
	(19,800)	129,518
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,074,002	1,475,849
INVESTING ACTIVITIES		
Certificate of deposit - security for letter of credit	(6,871)	1,968
Purchase of furniture, equipment and website costs	(9,674)	(7,780)
NET CASH USED IN INVESTING ACTIVITIES	(16,545)	(5,812)
FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,057,457	1,470,037
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,946,486	3,476,449
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,003,943	$ 4,946,486

Cash Paid for:		
Interest	$ -	$ -
Taxes	$ -	$ -

See accompanying notes to financial statements

NOTE A: DESCRIPTION OF THE ORGANIZATION

American Corporate Partners ("ACP" or "Organization") is a New York City based non-profit organization incorporated in the State of New York in November 2007 and approved for 501(c)(3) status on September 12, 2008. ACP consists of three programs: The ACP Veteran Mentoring Program, ACP AdvisorNet and the recently launched ACP Active Duty Spouse Program. The Veteran Mentoring Program and ACP AdvisorNet are dedicated to helping service members and veterans of the armed services transition into meaningful careers most often in the private sector. The Active Duty Spouse Program is working towards assisting spouses to understand career options and find meaningful employment while their spouse is serving their nation.

The ACP Veteran Mentoring Program provides current and past military members with mentoring an networking opportunities offered by employees of some of America's leading corporations and select universities. The Mentoring Program offers both local (in person) and national (long-distance/virtual) mentorships depending on geography and preferences. At the conclusion of 2019, approximately 3,000 veterans were paired with mentors.

ACP's Veteran Mentoring Program provides a unique career development opportunity to veterans, from former enlisted members and officers to current Reservists and National Guard members who have served on active duty since 2001. The Mentoring Program also accepts applications from spouses of those service members severely wounded or killed while serving. ACP's Mentoring Program is not a jobs program; rather, it is designed to assist veterans in their career development.

On November 11, 2011, ACP launched ACP AdvisorNet. ACP AdvisorNet is a free, online "Quick Question Community" connecting veterans and their family members with business leaders across the country. Through an interactive Q&A platform, veterans can ask questions about career development, employment and small business and receive advice from business professionals with expertise in a variety of different fields. ACP AdvisorNet is open to all current and former members of the U.S. Military and their immediate family, as well as business leaders nationwide looking to share their expertise and advice.

On November 13, 2018, ACP launched its active duty spouse mentoring program, to offer career mentorships to spouses of active duty service members nationwide. There are more than 600,000 spouses of active duty service members nationwide and with frequent changes of location, service member deployments and a lack of portable careers, many active duty spouses struggle to focus on their own career development. At the conclusion of 2019, approximately 400 spouses were paired with mentors

As of December 31, 2019, ACP's Corporate Partners included: 21st Century Fox, AECOM, AIG, Allstate, Amazon, American Academy of Orthopaedic Surgeons, Aon, Arconic, ASRC Federal, AT&T, Bank of America Merrill Lynch, BlackRock, Bloomberg, Boston Scientific, BP, Bristol-Myers Squibb, Cabot, Cargill, CBS Veterans Network, China Construction America, CliftonLarsonAllen, The Coca-Cola Company, Colgate-Palmolive Company, Constellium, Credit Suisse, Deere & Company, Deloitte LLP, Deutsche Bank, Disney, Emerson, Endeavor, Entergy, General Motors, Genesee & Wyoming, Harvard University, Hospital Corporation of America, Hearst Corporation, The Home Depot, IBM, In-N-Out Burger, International Paper, Johnson & Johnson, Johnson Controls, Lear, Leidos, LifePoint Health, Lockheed Martin, Major League Baseball, MasterCard, Medtronic, MetLife, Morgan Stanley, Mosaic, MSC Industrial Supply, News Corporation, Northrop Grumman, Occidental Petroleum Corporation, Partners Healthcare, PepsiCo, PNC, PwC, Raytheon, S&P Global, SKF, Tegna, Travelers, The Trump Organization, UBS, UMB Financial Corporation, Unibail-Rodamco-Westfield, Unilever, University of Phoenix, University of Texas System, UPS, USAA, Vanguard, Verizon, Visa, Wells Fargo, and Whirlpool.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation of Financial Statements

The Financial Accounting Standards Board's guidance on, "Financial Statements of Not-for-Profit Organizations," requires that Net Assets be presented as being either net assets without donor restrictions or net assets with donor restrictions. Net assets without donor restrictions result from contributions whose use is not subject to donor-imposed restrictions. Net assets with donor restrictions result from contributions whose use is subject to donor-imposed restrictions. A donor imposed restriction specifies a use of such contributed asset that is more specific than the broad limits which the Organization operates.

Accrual Basis

The accompanying financial statements have been prepared on the accrual basis.

Cash and Cash Equivalents

The Organization considers highly liquid financial instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Revenue Recognition

The organization's revenue is obtained through sponsorship from corporations and donations from individuals. It is the policy of the organization to record these contributions when the pledges are received. We have adopted the provisions of ASC 606 on a modified retrospective basis, which resulted in no changes to our revenue recognition.

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as net assets with donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions. Otherwise, when a donor imposed restriction expires, net assets with donor restrictions are reclassified to be net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Two organizations contributed $550,000 and $500,000, respectively, during the year ended December 31, 2019, while there was only one $500,000 contribution during the year ended December 31, 2018.

Contributed/ Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are performed by people with those skills, and would otherwise be purchased by the Organization. They are recorded at their fair values in the period received. Volunteers also provided other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958 were not met.

Consideration of Credit Risk

ACP maintains its cash in bank deposits at high credit quality financial institutions. The balances, at times, may exceed federally insured limits of $250,000. At December 31, 2019 ACP cash balances exceeded the federal limits by $5,753,943. At December 31, 2018 ACP cash balances exceeded the federal limits by $4,696,486.

Leasehold Improvements, Furniture, Equipment and Depreciation

Fixed assets are stated at cost, if purchased, or fair market value, if donated. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to seven years. The Organization capitalizes all fixed assets over $500 with an estimated useful life greater than five years. When assets are retired or otherwise disposed, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. The cost of maintenance and repairs are expensed as incurred, while significant renewals and betterments are capitalized.

The Organization periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Organization uses an estimate of related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management's estimate of the benefit to the related program and supporting service and certain expenses are allocated to program, support and fundraising based on a percentage of the salaries incurred for each functional expense category. The allocation of expenses at December 31, 2019 were allocated at approximately 88% to program, 3% to support services and 9% to fundraising expenses. The allocation of expenses at December 31, 2018 were allocated at approximately 90% to program, 3% to support services and 7% to fundraising.

Reclassifications

Certain reclassifications to the prior year amounts to conform to the current year groupings and financial statement presentation.

Income Taxes

ACP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if expenses on certain transportation benefits or income from certain activities not directly related to the Organization's tax-exempt purpose were received, it would be subject to taxation as unrelated business income. Separately, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization's tax returns for the years 2016 through 2019 remain open to an Internal Revenue Service audit.

Fair Value of Financial Instruments

Effective June 1, 2008, the Organization adopted the guidance in the Fair Value Measurements and Disclosure Topic of the Accounting Standards Codification for assets and liabilities measured at fair value on a recurring basis. This guidance establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of this guidance did not have an impact on the Organization's financial position or operating results, but did expand certain disclosures. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the guidance requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Quoted prices in active markets.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The fair values of financial assets of the Organization were determined using the following categories at December 31, 2019:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Value at December 31, 2019
Certificate of Deposit - Restricted	$ 308,661	-	$ 308,661
Cash Equivalents	506,264	-	506,264
	$ 814,925	$ -	$ 814,925

The marketable securities presented above consist of a certificate of deposit which serves as collateral for a letter of credit required and evidenced in the Organization's lease agreement. See Footnote D

below for further details. This certificate of deposit has a twelve month term and matured on January 28, 2020 and bears interest at 2.00%. This certificate of deposit has subsequently been renewed with a new maturity date of January 28, 2021.

Cash and cash equivalents of $6,003,943, include money market securities (cash equivalents), of $506,264, that are considered to be highly liquid and easily tradeable as of December 31, 2019. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

The fair values of financial assets of the Organization were determined using the following categories at December 31, 2018:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Value at December 31, 2018
Certificate of Deposit - Restricted	$ 301,790	-	$ 301,790
Cash Equivalents	504,944	-	504,944
	$ 806,734	$ -	$ 806,734

The marketable securities presented above consist of a certificate of deposit which serves as collateral for a letter of credit required and evidenced in the Company's lease agreement. See Footnote D below for further details. This certificate of deposit has a twelve month term and matured on January 28, 2019 and bears interest at .65%. This certificate of deposit has subsequently been renewed with a new maturity date of January 28, 2020.

Cash and cash equivalents of $4,946,486, include money market securities (cash equivalents), of $504,944, that are considered to be highly liquid and easily tradeable as of December 31, 2018. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

Restrictions on Net Assets

The Organization has a restricted certificate of deposit which is held as collateral for a letter of Credit required by the leasing company where the Organization resides. There are no other restrictions on net assets, revenues or expenses at the end of 2019 and 2018. The Statements of Financial Position and Statement of Activities is presented to reflect all net assets, revenues and expenses as either restricted or non- restricted.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) "ASU 2016 – 02 Leases "intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organization that lease assets such as real estate, and equipment, including office equipment.

The ASU will require organizations that lease assets—referred to as "lessees"—to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current Generally Accepted Accounting Principles (GAAP), the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP—which requires only capital leases to be recognized on the balance sheet—the new ASU will require both types of leases to be recognized on the balance sheet. The ASU on leases will take effect for non-public companies for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020. The Organization is currently evaluating the impact of this ASU on its financial statements. Early adoption is permitted. The Organization has not adopted this guidance for 2019 and is currently evaluating the impact of adopting this guidance.

The FASB issued ASU 2018-08, Non-for-profit entities (Topic 958) clarifying the scope and the accounting guidance for contributions received and contributions made which clarifies and improves the scope and guidance for contributions made and received. The amendments in the update should assist entities in the evaluation whether transactions should be accounted for as contributions without reciprocal transactions or contributions with reciprocal transaction and subject to other guidance as well as determining whether a contribution is conditional. The standard is effective on a modified prospective basis with a retrospective application being permitted.

The entity should apply the amendments in this Update on contributions made to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendments is permitted. The Organization is assessing the potential effect this guidance may have on their financial statements.

The Organization does not believe any of the other recently issued but not yet effective accounting pronouncements once effective will have any effect on the Company's reporting needs.

NOTE C: LEASEHOLD IMPROVEMENTS, FURNITURE, EQUIPMENT AND SOFTWARE

Leasehold improvements, furniture, computer equipment and software are carried at cost.

Depreciation on Furniture, equipment and software is provided by the straight-line-method at rates calculated to amortize the cost over the estimated lives of the individual assets (3-7 years).

Leasehold improvements were recorded at cost when incurred. These costs are being amortized over the life of the lease (10 years).

Leasehold improvements, furniture, equipment and software consists of the following:

		December 31, 2019		December 31, 2018
Computer equipment	$	65,171	$	55,496
Office furniture		220,994		220,994
Office equipment		103,677		103,677
Database costs	(1)	142,000		142,000
Leasehold improvements		26,402		26,402
Less: accumulated depreciation		(357,822)		(307,756)
Net computer equipment and software	$	200,422	$	240,813

Depreciation expense for the years ended December 31, 2019 and 2018 was $50,065 and $52,775, respectively.

(1) The cost of the database was an in-kind contribution.

NOTE D: COMMITMENTS

The Organization moved their office to a new location in November 2016. As a result they entered into a new lease, which commenced on November 1, 2016 and expires on October 31, 2026. The lease contains provisions for future rent increases, as well as certain past rent free holiday provisions. The unamortized portion of the accrued rent free holiday provisions as of December 31, 2019 and 2018 was $137,176 and $125,205, respectively.

Future minimal lease payments are as follows:

For the years ended December 31,

2020	$	595,612
2021		602,911
2022		639,407
2023		639,407
2024		639,407
Thereafter		1,172,246
Total	$	4,288,990

During fiscal years ended December 31, 2019 and 2018, the Company's rent expense was $607,583 for each year, respectively.

The lease agreement also provides for a security deposit of $300,000, which at December 31, 2019 was evidenced by a letter of credit collateralized by the Organization's funds held in a deposit account. The letter of credit matured in February 2020, and is subject to automatic twelve month renewals through 2027, unless the financial institution renders a 60 day notice of non-renewal prior to the annual expiration date.

NOTE E: RELATED PARTY TRANSACTIONS

The founder of ACP, Sid Goodfriend has contributed services and is taking no compensation for his services rendered.

Since inception, the Founder of ACP, Sid Goodfriend contributed $300,000 of personal funds to ACP.

NOTE F: SUBSEQUENT EVENTS

The Company has evaluated any other subsequent events through March 30, 2020, the financial statement issuance date.

SUPPMENTARY FINANCIAL INFORMATION

American Corporate Partners, Inc.
Supplementary Financial Information
Years Ended December 31, 2019 and 2018

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019:

	Programs	Fund Raising	Support Services	Total
Payroll and personnel costs	$ 2,651,297	$ 267,380	$ 82,225	$ 3,000,902
Professional fees	6,399	3,137	25,664	35,200
Fundraising	-	35,062	-	35,062
Depreciation and amortization	44,232	4,461	1,372	50,065
Marketing and promotional	56,783	5,727	1,761	64,271
Technology and web design	98,978	9,983	3,070	112,031
Travel related expenses	33,733	3,402	1,046	38,181
Rent and utilities	552,203	55,689	17,126	625,018
Office and other	89,948	9,071	2,789	101,808
	$ 3,533,573	$ 393,912	$ 135,053	$ 4,062,538

For the Year Ended December 31, 2018:

	Programs	Fund Raising	Support Services	Total
Payroll and personnel costs	$ 2,615,988	$ 204,292	$ 85,727	$ 2,906,007
Professional fees	7,266	2,278	22,856	32,400
Fundraising	-	192,103	-	192,103
Depreciation and amortization	47,508	3,710	1,557	52,775
Marketing and promotional	40,472	30,113	2,146	72,731
Technology and web design	23,021	1,798	754	25,573
Travel related expenses	29,563	2,309	969	32,841
Rent and utilities	558,998	43,654	18,319	620,971
Office and other	75,459	5,893	2,472	83,824
	$ 3,398,275	$ 486,150	$ 134,800	$ 4,019,225