

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements and
Independent Auditors' Report
Years Ended
December 31, 2020 and 2019

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements
Years Ended December 31, 2020 and 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14



Accountants & Advisors

805 Third Avenue
New York, NY 10022
212.838-5100
212.838.2676/ Fax
www.rbsmllp.com

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, 2020 and 2019, and the related statements of activities, functional expenses 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, 2020 and 2019 and the changes in net assets and its cash flows for each of the years ended December 31, 2020 and 2019 in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "RB SMUP". The letters are stylized and somewhat cursive.

New York, New York
April 2, 2021

**AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 7,187,130	\$ 6,003,943
Certificate of deposit - restricted	315,005	308,661
Prepaid expenses and other assets	56,332	110,395
Leasehold improvements, furniture and equipment-net	<u>180,945</u>	<u>200,422</u>
TOTAL ASSETS	\$ <u>7,739,412</u>	\$ <u>6,623,421</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ <u>344,229</u>	\$ <u>278,970</u>
TOTAL LIABILITIES	<u>344,229</u>	<u>278,970</u>
Net Assets :		
Net assets without donor restrictions	<u>7,395,183</u>	<u>6,344,451</u>
TOTAL NET ASSETS	<u>7,395,183</u>	<u>6,344,451</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>7,739,412</u>	\$ <u>6,623,421</u>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF ACTIVITIES

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>CONTRIBUTIONS AND PROGRAM REVENUES:</u>		
Grants in cash	\$ 4,738,011	\$ 5,144,350
TOTAL CONTRIBUTIONS	<u>4,738,011</u>	<u>5,144,350</u>
<u>EXPENSES:</u>		
(See Statement of Functional Expenses for detail)		
Programs	3,723,540	3,533,573
Fundraising	220,700	393,912
Support services	256,840	135,053
TOTAL EXPENSES	<u>4,201,080</u>	<u>4,062,538</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	536,931	1,081,812
<u>OTHER INCOME:</u>		
PPP other income	508,000	-
Interest income	5,801	11,990
TOTAL OTHER INCOME	<u>513,801</u>	<u>11,990</u>
CHANGE IN NET ASSETS	1,050,732	1,093,802
NET ASSETS, BEGINNING OF YEAR	<u>6,344,451</u>	<u>5,250,649</u>
NET ASSETS, END OF YEAR	<u>\$ 7,395,183</u>	<u>\$ 6,344,451</u>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020:

	<u>Programs</u>	<u>Fundraising</u>	<u>Support Services</u>	<u>Total</u>
Payroll and personnel costs	\$ 2,878,065	\$ 166,966	\$ 178,247	\$ 3,223,278
Professional fees	7,827	1,888	26,715	36,430
Fundraising	-	3,250	-	3,250
Depreciation and amortization	47,155	2,736	2,921	52,812
Marketing and promotional	46,418	2,693	2,875	51,986
Technology and web design	84,668	4,913	5,244	94,825
Travel related expenses	18,933	1,098	1,173	21,204
Rent and utilities	562,806	32,650	34,856	630,312
Office and other	77,668	4,506	4,809	86,983
	<u>\$ 3,723,540</u>	<u>\$ 220,700</u>	<u>\$ 256,840</u>	<u>\$ 4,201,080</u>

For the Year Ended December 31, 2019:

	<u>Programs</u>	<u>Fundraising</u>	<u>Support Services</u>	<u>Total</u>
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
	<u>\$ 3,533,573</u>	<u>\$ 393,912</u>	<u>\$ 135,053</u>	<u>\$ 4,062,538</u>

See accompanying notes to financial statements

**AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF CASH FLOWS**

	<u>Years Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>OPERATING ACTIVITIES</u>		
CHANGE IN NET ASSETS	\$ 1,050,732	\$ 1,093,802
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	52,812	50,065
Change in operating assets and liabilities:		
Prepaid expenses	54,063	(73,654)
Accounts payable and accrued expenses	65,259	3,789
	<u>172,134</u>	<u>(19,800)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,222,866</u>	<u>1,074,002</u>
<u>INVESTING ACTIVITIES</u>		
Certificate of deposit - security for letter of credit	(6,344)	(6,871)
Purchase of furniture, equipment and website costs	(33,335)	(9,674)
NET CASH USED IN INVESTING ACTIVITIES	<u>(39,679)</u>	<u>(16,545)</u>
<u>FINANCING ACTIVITIES</u>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,183,187	1,057,457
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,003,943</u>	<u>4,946,486</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,187,130</u>	<u>\$ 6,003,943</u>
Cash Paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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 assists military spouses in understanding career options and finding meaningful employment while their spouse is serving the nation.

The ACP Veteran Mentoring Program provides current and past military members with mentoring and networking opportunities offered by employees of some of America's leading corporations. The Mentoring Program offers primarily virtual mentorships and pairs are created based on career fit, time zone, gender, age differential and personal preferences. At the conclusion of 2020, approximately 3,800 veterans were paired with mentors. Close to 20,000 veterans have successfully completed the ACP program since 2010.

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.

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, offering 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 360 spouses were actively paired with mentors, with another 400+ spouses who already completed their yearlong mentorships.

ACP also provides veterans with mentorships from individuals not associated with our Corporate Partners - ACP refers to this as its ACP Citizens Program. Some of these mentorships are funded by sponsoring companies which are not Corporate Partners and many are funded via various fundraising from individuals and foundations which ACP completes throughout the year. In 2020, approximately 25% of ACP's grants received resulted from its Citizens fundraising efforts.

As of December 31, 2020, ACP's Corporate Partners included: Abbott, ADT Commercial, AECOM, AIG, Amazon, Amentum, American Water, Amneal Pharmaceuticals, Aon, Aramark, Arconic, ASRC Federal, AT&T, Bank of America Merrill Lynch, BlackRock, Bloomberg, Boston Scientific, BP, Bristol-Myers Squibb, Cabot, Campbell's, Cisco, CliftonLarsonAllen, The Coca-Cola Company,

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

Colgate-Palmolive Company, Constellation, Deere & Company, Deloitte LLP, Deluxe, Deutsche Bank, Disney, Draft Kings, Emerson, Empire Blue Cross Blue Shield, Endeavor, Entergy, First Horizon, Fox, General Motors, Genesee & Wyoming, Harvard University, HCA Healthcare, 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, Mazars, McKinsey & Company, Medtronic, MetLife, Morgan Stanley, Mosaic, MSC Industrial Supply, MUFG Union Bank,

News Corporation, Nike, Northrop Grumman, Occidental Petroleum Corporation, Partners Healthcare, PepsiCo, PNC, PwC, Raytheon Technologies, Rheem, S&P Global, Schneider Electric, SKF, Stericycle, Tegna, Travelers, 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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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. During the year ended December 31, 2020 one organization contributed \$300,000. Two organizations contributed \$550,000 and \$500,000, respectively, during the year ended December 31, 2019.

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 cash balances regularly exceed federally insured limits of \$250,000. Amounts held at an investment financial firm are fully insured. At December 31, 2020 ACP cash balances held at two financial institutions exceeded the federal limits by \$6,162,397. At December 31, 2019 ACP cash balances held at one financial institution exceeded the federal limits by \$5,247,680.

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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of 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, 2020 were allocated at approximately 89% to program, 6% to support services and 5% to fundraising expenses. The allocation of expenses at December 31, 2019 were allocated at approximately 88% to program, 3% to support services and 9% 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 2017 through 2020 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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

The fair values of financial assets of the Organization were determined using the following categories at December 31, 2020:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Value at December 31, 2020
Certificate of Deposit - Restricted	\$ 315,005	-	\$ 315,005
Cash Equivalents	267,128	-	267,128
	<u>\$ 582,133</u>	<u>\$ -</u>	<u>\$ 582,133</u>

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, 2021 and bears interest at 2.00%. This certificate of deposit has subsequently been renewed with a new maturity date of January 28, 2022.

Cash and cash equivalents of \$7,187,130, include money market securities (cash equivalents), of \$267,128, that are considered to be highly liquid and easily tradeable as of December 31, 2020. 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, 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
	<u>\$ 814,925</u>	<u>\$ -</u>	<u>\$ 814,925</u>

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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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 2020 and 2019. 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, as amended, on leases will take effect for non-public companies for fiscal years beginning after December 15, 2020, and for interim periods within fiscal years beginning after December 15, 2021. 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 2020 and is currently evaluating the impact of adopting this guidance.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) “ASU 2020-07 Presentation and Disclosures by Not-for –Profit Entities for Contributed Nonfinancials Assets. The FASB is issuing this ASU to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU apply to NFPs that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact of this ASU on its 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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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,	
	2020	2019
Computer equipment	\$ 121,942	\$ 112,962
Office furniture	204,193	179,838
Office equipment	34,911	34,911
Database costs	(1) 142,000	142,000
Leasehold improvements	99,632	99,632
Less: accumulated depreciation	(421,733)	(368,921)
Net computer equipment and software	\$ 180,945	\$ 200,422

Depreciation expense for the years ended December 31, 2020 and 2019 was \$52,812 and \$50,065, respectively.

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

NOTE D: OTHER INCOME

Other income consists largely of Paycheck Protection Program funding, initially scheduled to be repaid in monthly installments of principal and interest of \$28,593.81 through April 2022. Interest rate 1%. 2-year term. Under the terms of the CARE Act, forgiveness for all or a portion of the loan may be granted based upon use of the loan proceeds for eligible payroll and related payroll costs and other qualified expenses. The Organization had applied for forgiveness of this obligation. Under the Paycheck Protection Program Flexibility Act, payments of principal and interest shall be deferred until the date that the Small Business Administration remits the forgiveness amount to the Organization's. In January 2021, the Organization received notification of forgiveness of the full \$508,000 and the related interest accrued. As a result, since the Organization had met the parameters of the forgiveness terms by December 31, 2020, the Organization had recorded the \$508,000 as other income.

NOTE E: 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, 2020 and 2019 was \$149,147 and \$137,176, respectively.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

Future minimal lease payments are as follows:

For the years ended December 31,

2021	\$	602,911
2022		639,407
2023		639,407
2024		639,407
2025		639,407
Thereafter		<u>532,839</u>
Total	\$	<u>3,693,378</u>

During fiscal years ended December 31, 2020 and 2019, 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, 2020 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 2021, 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 F: RELATED PARTY TRANSACTIONS

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

Since inception, the Founder of ACP, Sidney E. Goodfriend and his wife Amy Goodfriend contributed more than \$300,000 of personal funds to ACP.

NOTE G: SUBSEQUENT EVENTS

In January 2021, the Organization has applied for and received a second round of Paycheck Protection Program funding in the amount of \$560,282.50.

The Organization has evaluated any other subsequent events through April 2, 2021, the financial statement issuance date.