

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements and
Independent Auditors' Report
Years Ended
December 31, 2022 and 2021

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements
Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Corporate Partners, Inc.

Opinion

We have audited the financial statements of American Corporate Partners, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of American Corporate Partners, Inc. as of December 31, 2022 and 2021, 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.

Emphasis of Matter

As discussed in Note F, beginning January 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) and its related amendments using the modified-retrospective transition method. Our opinion is not modified with respect to this matter.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Corporate Partners, 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.

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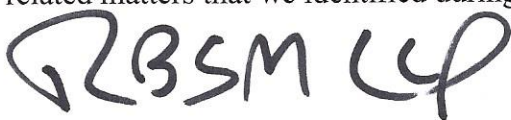
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Corporate Partners, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's 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 auditor's 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 American Corporate Partners, 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 American Corporate Partners, 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.



New York, New York
March 25, 2023

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,770,997	\$ 8,752,438
Certificate of deposit - restricted	302,342	302,342
Marketable securities	6,808,273	-
Prepaid expenses and other assets	303,069	28,017
Leasehold improvements, furniture and equipment, net	322,824	165,411
Right of use asset, net (Note F)	<u>2,258,867</u>	<u>-</u>
TOTAL ASSETS	\$ <u>13,766,372</u>	\$ <u>9,248,208</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 268,642	\$ 375,810
Right of use liability, net (Note F)	<u>2,386,485</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,655,127</u>	<u>375,810</u>
Net Assets :		
Net assets without donor restrictions	<u>11,111,245</u>	<u>8,872,398</u>
TOTAL NET ASSETS	<u>11,111,245</u>	<u>8,872,398</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>13,766,372</u>	\$ <u>9,248,208</u>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF ACTIVITIES

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>CONTRIBUTIONS AND PROGRAM REVENUES:</u>		
Grants in cash	\$ 7,195,634	\$ 5,629,638
Donated services	117,899	43,885
TOTAL CONTRIBUTIONS	<u>7,313,533</u>	<u>5,673,523</u>
<u>EXPENSES:</u>		
(See Statement of Functional Expenses for detail)		
Programs	4,667,115	4,261,829
Fundraising	262,633	247,764
Support services	125,465	255,323
TOTAL EXPENSES	<u>5,055,214</u>	<u>4,764,916</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	2,258,319	908,607
<u>OTHER INCOME:</u>		
PPP other income	-	560,283
Other Income	6,350	-
Unrealized gain on investments	(147,706)	-
Interest and dividend income, net	121,883	8,325
TOTAL OTHER INCOME	<u>(19,473)</u>	<u>568,608</u>
CHANGE IN NET ASSETS	2,238,846	1,477,215
NET ASSETS, BEGINNING OF YEAR	<u>8,872,398</u>	<u>7,395,183</u>
NET ASSETS, END OF YEAR	<u>\$ 11,111,244</u>	<u>\$ 8,872,398</u>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022:

	<u>Programs</u>	<u>Fundraising</u>	<u>Support Services</u>	<u>Total</u>
Payroll and personnel costs	\$ 3,551,236	\$ 199,079	\$ 95,467	\$ 3,845,782
Professional fees	152,478	8,548	4,099	165,125
Fundraising	-	999	-	999
Depreciation and amortization	51,025	2,860	1,372	55,257
Marketing and promotional	51,002	2,859	1,371	55,232
Technology and web design	136,504	7,652	3,670	147,826
Travel related expenses	8,980	504	241	9,725
Rent and utilities	653,254	36,621	17,561	707,436
Office and other	62,636	3,511	1,684	67,831
	<u>\$ 4,667,115</u>	<u>\$ 262,633</u>	<u>\$ 125,465</u>	<u>\$ 5,055,213</u>

For the Year Ended December 31, 2021:

	<u>Programs</u>	<u>Fundraising</u>	<u>Support Services</u>	<u>Total</u>
Payroll and personnel costs	\$ 3,308,875	\$ 188,890	\$ 177,130	\$ 3,674,895
Professional fees	50,901	4,379	29,905	85,185
Fundraising	-	3,000	-	3,000
Depreciation and amortization	49,439	2,822	2,647	54,908
Marketing and promotional	64,803	3,699	3,469	71,971
Technology and web design	101,877	5,817	5,453	113,147
Travel related expenses	10,437	596	559	11,592
Rent and utilities	588,255	33,581	31,491	653,327
Office and other	87,242	4,980	4,669	96,891
	<u>\$ 4,261,829</u>	<u>\$ 247,764</u>	<u>\$ 255,323</u>	<u>\$ 4,764,916</u>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	2021
<u>OPERATING ACTIVITIES</u>		
CHANGE IN NET ASSETS	\$ 2,238,846	\$ 1,477,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	55,257	54,908
Unrealized loss on investments	147,706	-
Realized gain on investments	(13,942)	-
Lease expense	127,618	-
Change in operating assets and liabilities:		
Prepaid expenses	(275,052)	28,315
Accounts payable and accrued expenses	(107,169)	31,581
	(65,582)	114,804
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,173,264	1,592,019
<u>INVESTING ACTIVITIES</u>		
Certificate of deposit - security for letter of credit	-	12,663
Purchase of investments	(6,942,036)	-
Purchase of furniture, equipment and website costs	(212,670)	(39,374)
NET CASH USED IN INVESTING ACTIVITIES	(7,154,706)	(26,711)
<u>FINANCING ACTIVITIES</u>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,981,442)	1,565,308
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,752,438	7,187,130
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,770,996	\$ 8,752,438
Cash Paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -
Non cash investing and financing activities		
Right to use assets and liability recorded upon adoption of ASC 842	\$ 2,848,137	\$ -
Record right to use assets and related lease liability	\$ 2,992,131	\$ -
Purchase of computers with loyalty rewards	\$ 6,350	\$ -

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE A: DESCRIPTION OF THE ORGANIZATION

American Corporate Partners, Inc. ("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 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. 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. At the conclusion of 2022, approximately 4,200 veterans were paired with mentors. More than 25,800 veterans have successfully completed the ACP program since 2010.

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 2022, approximately 500 spouses were actively paired with mentors, with over 1,000 spouses who already completed their yearlong mentorships.

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.

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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. Assumptions were used in computing the right of use of assets and lease liabilities. 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. For the year ended December 31, 2022 one contribution amounted to 14% and in 2021 there were no donor contributions that exceeded 10% of the contributed revenues for the year, respectively.

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.

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
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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, 2022 ACP cash balances held at multiple financial institutions exceeded the FDIC and SIPC limits by \$2,542,787. At December 31, 2021 ACP cash balances held at one financial institution exceeded the federal limits by \$7,707,934.

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 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, 2022 were allocated at approximately 92% to program, 3% to support services and 5% to fundraising expenses. The allocation of expenses at December 31, 2021 were allocated at approximately 90% to program, 5% to support services and 5% to fundraising.

Reclassifications

Certain reclassifications to the prior year amounts have been made 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 2019 through 2022 remain open to an Internal Revenue Service audit.

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
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Fair Value of Financial Instruments

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, 2022:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Value at December 31, 2022
Certificate of Deposit - Restricted	\$ 302,342	\$ -	\$ 302,342
Cash Equivalents – money market funds	2,267,437		2,267,437
Marketable Securities	6,808,273	-	6,808,273
	<u>\$ 9,378,052</u>	<u>\$ -</u>	<u>\$ 9,378,052</u>

The above certificate of deposit which serves as collateral for a letter of credit required is evidenced in the Organization's lease agreement. See Footnote E below for further details. This certificate of deposit has a term that matures on January 28, 2023 and bears interest at 0.85%.

Marketable securities consists of US Treasury Notes that mature in May 2024 with a face value of \$7,000,000 and bear interest at 2.50% per annum. Such US Treasury Notes cost \$6,942,037, with an unrealized loss of \$148,187 offset by interest accrued of \$14,423. The Organization considers such marketable securities as trading securities and mark to market gains or losses are recorded to the statement of activities.

Cash and cash equivalents of \$3,770,997, include money market securities (cash equivalents), of \$2,267,437, that are considered to be highly liquid and easily tradeable as of December 31, 2022. 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, Inc.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

The fair values of financial assets of the Organization were determined using the following categories at December 31, 2021:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Value at December 31, 2021
Certificate of Deposit - Restricted	\$ 302,342	\$ -	\$ 302,342
Cash Equivalents – money market funds	13	-	13
	\$ 302,355	\$ -	\$ 302,355

The above certificate of deposit which serves as collateral for a letter of credit required and evidenced in the Organization’s lease agreement. See Footnote E below for further details. This certificate of deposit had a twelve month term and matured on January 28, 2022 and earned interest at 0.85%.

Cash and cash equivalents of \$8,752,438, include money market securities (cash equivalents), of \$13, that are considered to be highly liquid and easily tradeable as of December 31, 2021. 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 2022 and 2021. 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. The board of directors of ACP and its management considers the cash and cash equivalents on hand to be adequate liquidity to maintain operations for the next twelve months.

Liquidity

The Organization is substantially supported by grants from its corporate partners. As part of the Organizations liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in investments. To help manage unanticipated liquidity needs, the Organization has sufficient funds to draw upon in its cash balances and there are no restrictions in the use of its investments funds if the need arises. Financial assets available for general expenditure are included in cash and cash equivalents and marketable securities totaling \$10,579,269 as of December 31, 2022.

Recent Accounting Pronouncements

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

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

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:

		<u>December 31,</u>		
		2022	2021	
Computer equipment	\$	203,179	\$	161,316
Office furniture		204,193		204,193
Office equipment		129,755		34,911
Database costs		142,000		142,000
Leasehold improvements		175,595		99,632
Less: accumulated depreciation		(531,898)		(476,641)
Net leasehold improvements, furniture equipment and software	\$	322,824	\$	165,411

Depreciation expense for the years ended December 31, 2022 and 2021 was \$55,257 and \$54,908, respectively.

NOTE D: OTHER INCOME

Other income consists largely of Paycheck Protection Program “PPP” funding forgiven. 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 PPP loans two different times and had received \$560,283 in 2021, and applied for the related forgiveness of these obligations as well. 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 November 2021, the Organization received notification of forgiveness of the full \$560,283 and the related interest accrued. As a result, since the Organization had met the parameters of the forgiveness terms by December 31, 2021, the Organization had recorded the \$560,283 as other income, respectively.

NOTE E: COMMITMENTS

On November 1, 2016, the Organization entered into a lease agreement, where the Organization agreed to lease the office space in New York City, New York. The term of the lease was for ten years. The first five years had a fixed monthly rate of \$49,634 and the remaining five years have a fixed monthly rate of 53,284.

In July 2022, the Organization entered into an amendment to the aforementioned lease for a different floor at the existing location in New York City, which expires on June 30, 2033. The annual rent for the amended lease is \$995,180 net of certain rent free holiday provisions and excludes certain non-lease components, such as electricity or real estate taxes. The acceptance of the new premises is subject to inspection upon completion, by the Organization, which occurred in January 2023.

AMERICAN CORPORATE PARTNERS, Inc.
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In addition the Organization also entered in a twelve month lease in September 2022 in Washington D.C. The monthly rent is \$6,550.

Future minimal lease payments are as follows:

For the years ended December 31,

2023	\$	1,013,850
2024		995,180
2025		995,180
2026		995,180
2027		995,180
thereafter	\$	5,971,081

During calendar years ended December 31, 2022 and 2021, the Company's rent expense was \$666,936 and \$607,583 for each year, respectively.

The lease agreement also provides for a security deposit of \$300,000, which at December 31, 2022 and 2021 was evidenced by a letter of credit collateralized by the Organization's funds held in a deposit account. The letter of credit matured in January 2023, and is subject to automatic twelve month renewals through 2034, unless the financial institution renders a 60 day notice of non-renewal prior to the annual expiration date.

The Organization is committed to pay \$176,108 to a vendor for furniture delivered and installed in January 2023.

NOTE F: RIGHT TO USE ASSETS AND LEASE LIABILITY

The Organization adopted ASC Topic 842, Leases (Topic 842), the Organization has elected the 'package of practical expedients'. In addition, the Organization elected not to apply ASC Topic 842 to arrangements with lease terms of 12 month or less.

On January 1, 2022, upon adoption of ASC Topic 842, the Organization recorded right to use assets of \$2,848,137, lease liability of \$2,992,131 and eliminated deferred rent of \$143,994. Due to the Organization being a privately held, the Organization has elected to use a US Treasury Rate of five years which was the remaining amount of years at the time of adoption.

Right to use asset summary below:

New York, NY	\$	2,848,137
Less accumulated depreciation		(589,270)
Right to use assets, net	\$	2,258,867

During the year ended December 31, 2022, the Organization recorded \$589,270 as a lease expense.

Right to use liability summary below:

New York, NY	\$	2,992,131
Less payments		(605,646)
Total lease liability	\$	2,386,485

AMERICAN CORPORATE PARTNERS, Inc.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

The terms and conditions of the amended lease executed in July 2022 have not been recorded pursuant to ASC Topic 842, due to varied technical accounting reasons.

NOTE G: 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 H: SUBSEQUENT EVENTS

In January 2023, the Organization surrendered the leased space under their original lease in New York City to occupy their new premises.

The Organization has evaluated any other subsequent events through March 25, 2023, the financial statement issuance date.