

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements and
Independent Auditors' Report
Years Ended
December 31, 2023 and 2022

AMERICAN CORPORATE PARTNERS, INC.

Financial Statements
Years Ended December 31, 2023 and 2022

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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, 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 accompanying financial statements present fairly, in all material respects, the financial position of American Corporate Partners, Inc. as of December 31, 2023 and 2022, 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.

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.

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
April 2, 2024

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,342,568	\$ 3,770,997
Certificate of deposit - restricted	313,123	302,342
Investments, net	6,935,676	6,808,273
Prepaid expenses and other assets	53,038	303,069
Leasehold improvements, furniture and equipment, net	651,642	322,824
Long term investments	1,000,000	-
Right of use asset, net	<u>8,294,123</u>	<u>2,258,867</u>
TOTAL ASSETS	\$ <u>20,590,170</u>	\$ <u>13,766,372</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 263,297	\$ 268,642
Right of use liability, net	<u>8,409,477</u>	<u>2,386,485</u>
TOTAL LIABILITIES	<u>8,672,774</u>	<u>2,655,127</u>
Net Assets :		
Net assets without donor restrictions	<u>11,917,396</u>	<u>11,111,245</u>
TOTAL NET ASSETS	<u>11,917,396</u>	<u>11,111,245</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>20,590,170</u>	\$ <u>13,766,372</u>

See accompanying notes to financial statements

**AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF ACTIVITIES**

	Years ended December 31,	
	2023	2022
<u>CONTRIBUTIONS AND PROGRAM REVENUES:</u>		
Grants in cash	\$ 5,948,142	\$ 7,195,634
Grants in investments	1,000,000	-
Donated services	5,936	117,899
TOTAL CONTRIBUTIONS	6,954,078	7,313,533
<u>EXPENSES:</u>		
(See Statement of Functional Expenses for detail)		
Programs	6,042,200	4,667,115
Fundraising	296,999	262,633
Support services	217,067	125,465
TOTAL EXPENSES	6,556,266	5,055,213
CHANGE IN NET ASSETS BEFORE OTHER INCOME	397,812	2,258,320
<u>OTHER INCOME (LOSS):</u>		
Other Income	1,600	6,350
Unrealized gain (loss) on investments	127,543	(147,706)
Interest and dividend income, net	279,196	121,883
TOTAL OTHER INCOME	408,339	(19,473)
CHANGE IN NET ASSETS	806,151	2,238,847
NET ASSETS, BEGINNING OF YEAR	11,111,245	8,872,398
NET ASSETS, END OF YEAR	\$ 11,917,396	\$ 11,111,245

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023:

	<u>Programs</u>	<u>Fundraising</u>	<u>Support Services</u>	<u>Total</u>
Payroll and personnel costs	\$ 4,706,064	\$ 231,322	\$ 169,067	\$ 5,106,453
Professional fees	50,030	2,459	1,797	54,286
Depreciation and amortization	153,163	7,529	5,502	166,194
Marketing and promotional	37,164	1,827	1,335	40,326
Technology and web design	114,683	5,637	4,120	124,440
Travel related expenses	13,250	651	476	14,377
Rent and utilities	904,071	44,439	32,479	980,989
Office and other	63,775	3,135	2,291	69,201
	<u>\$ 6,042,200</u>	<u>\$ 296,999</u>	<u>\$ 217,067</u>	<u>\$ 6,556,266</u>

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	503	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>

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS, INC.
STATEMENTS OF CASH FLOWS

Years Ended December 31,

2023 **2022**

OPERATING ACTIVITIES

CHANGE IN NET ASSETS	\$	806,151	\$	2,238,847
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Grants in investments		(1,000,000)		-
Depreciation and amortization		109,932		55,257
Disposal of assets		56,262		-
Unrealized (gain) loss on investments		(127,543)		147,706
Realized gain on investments		(98,141)		(13,942)
Lease expense		(12,264)		127,618
Change in operating assets and liabilities:				
Prepaid expenses		50,031		(275,052)
Accounts payable and accrued expenses		(5,345)		(107,169)
		<u>(1,027,068)</u>		<u>(65,582)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		<u>(220,917)</u>		<u>2,173,265</u>

INVESTING ACTIVITIES

Proceeds from investments		87,500		-
Purchase of investments		-		(6,942,036)
Purchase of furniture, equipment and website costs		(295,012)		(212,670)
NET CASH (USED) IN INVESTING ACTIVITIES		<u>(207,512)</u>		<u>(7,154,706)</u>

FINANCING ACTIVITIES

NET DECREASE IN CASH AND CASH EQUIVALENTS		(428,429)		(4,981,441)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		<u>3,770,997</u>		<u>8,752,438</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	<u><u>3,342,568</u></u>	\$	<u><u>3,770,997</u></u>

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		\$	8,973,970	\$	2,992,131
Purchase of computers with other income		\$	1,600	\$	6,350

See accompanying notes to financial statements

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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 two programs: The ACP Veteran Mentoring Program and the ACP Active Duty Spouse Program. The Veteran Mentoring Program is 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 2023, approximately 3,500 veterans were paired with mentors. More than 30,000 veterans have successfully completed the ACP program since 2010.

In November 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 2023, approximately 600 spouses were actively paired with mentors, with another 750+ 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.

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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
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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 years ended December 31, 2023 one contribution amounted to 14% and 2022 one contribution amounted to 14%.

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, 2023 ACP cash balances held at multiple financial institutions exceeded the FDIC and SIPC limits by \$1,725,928. At December 31, 2022 ACP cash balances held at one financial institution exceeded the federal limits by \$2,408,491

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 \$1,000 with an estimated useful life greater than five years.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
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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, 2023 were allocated at approximately 92% to program, 3% to support services and 5% to fundraising expenses. The allocation of expenses at December 31, 2022 were allocated at approximately 92% to program, 3% to support services and 5% to fundraising.

Reclassifications

Certain reclassifications were made 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 2020 through 2023 remain open to an Internal Revenue Service audit.

Fair Value of Financial Instruments

The Organization utilizes the methods of fair value measurement as described in the accounting guidance to value its financial assets and liabilities. Fair value is based on 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. In order to increase consistency and comparability in fair value measurements, the accounting guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices in active markets.

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

AMERICAN CORPORATE PARTNERS
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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, 2023:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value at December 31, 2023
Certificate of Deposit - Restricted	\$ 313,123	\$ -	\$ -	\$ 313,123
Cash Equivalents – money market funds	1,241,037		-	1,241,037
Marketable Securities	6,935,676	-	-	6,935,676
Long Term Investments	-	-	1,000,000	1,000,000
	<u>\$ 8,489,836</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 9,489,836</u>

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 has a term that matures on January 28, 2024 and bears interest at 3.75%.

Cash and cash equivalents of \$3,342,568, include money market securities (cash equivalents), of \$1,241,037, that are considered to be highly liquid and easily tradeable as of December 31, 2023. 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.

Marketable securities consist 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 \$20,227 offset by interest accrued of \$13,866. The Organization considers such marketable securities as trading securities and mark to market gains or losses are recorded to the statement of activities.

Long term investment consists of a donated limited partner investment in private equity managed fund (the "Partnership"), a Delaware limited partnership formed on December 4, 2020 to operate as a private investment fund primarily for the benefit of taxable U.S. investors and certain tax-exempt U.S. investors. The Organization received this donation on December 31, 2023. The investment portfolio of the Partnership will be comprised of concentration of blockchain venture assets and liquid digital assets, which will fluctuate over time. The general partner of the Partnership will allocate capital to blockchain venture assets and liquid digital assets in its sole discretion. The Partnership may make investments or enter into transactions directly or indirectly through other investment vehicles. The Partnership will continue to make investments in liquid digital assets until the expiration of the Partnership term. The general partner will have full responsibility for the management of the Partnership's affairs. Limited partners will not participate in the management of the Fund

AMERICAN CORPORATE PARTNERS
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This alternative investment is illiquid and there is no redemption process. Rather, the Organization will participate in the lifecycle of the Partnership. There can occasionally be an opportunity for a private transaction on the secondary market.

The Partnership term will be ten years from the initial closing unless extended by the general partner in its discretion for up to two additional one-year periods to provide for the orderly liquidation of the Partnership.

The general partner will distribute net proceeds from portfolio investments at such times as the general partner determines such amounts to be available. Distributions of proceeds received by the Partnership in respect of the sale of its investments will be apportioned in the first instance to the general partner and the limited partners pro rata in proportion to their respective capital contributions to such investment based on prescribed allocations per the Partnership Agreement.

Since the contribution of such Partnership investment occurred on December 31, 2023, there was no Level 3 Fair Value Measurements activity during the year to be presented.

Fair market value for level 3 investments is based on prices from an external manager or other-directed pricing source. Management of the Partnership reviews fair value as determined to be reasonable to ensure the investments are performing up to expectations. "Fair Value" with respect to the investments by the Partnership, means the valuation determined in accordance with the Partnership's valuation policy,

The Organization has no further obligations to purchase any additional investment in this Partnership.

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 and evidenced in the Organization's lease agreement. See Footnote E below for further details. This certificate of deposit has a twelve-month term and matured on January 28, 2023 and earned interest at 0.85%.

Cash and cash equivalents of \$3,770,997, include money market securities (cash equivalents), of \$2,267,436 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
Notes to Financial Statements
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Marketable securities consist 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.

Restrictions on Net Assets

The Organization has a restricted certificate of deposit, exclusive of interest, 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 2023 and 2022. 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 \$10,278,244 as of December 31, 2023.

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.

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 (11 years).

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Notes to Financial Statements
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Leasehold improvements, furniture, equipment and software consists of the following:

	December 31,	
	2023	2022
Computer equipment	\$ 135,863	\$ 203,179
Office furniture	460,088	204,193
Office equipment	94,844	129,755
Database costs	142,000	142,000
Leasehold improvements	164,268	175,595
Less: accumulated depreciation	(345,421)	(531,898)
Net computer equipment and software	\$ 651,642	\$ 322,824

Depreciation expense for the years ended December 31, 2023 and 2022 was \$109,932 and \$55,257, respectively. During the year the organization incurred a loss on the disposal of several assets with a net value of \$56,262.

NOTE D: 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 amended lease contains a termination option at the seventh anniversary for a fee of \$995,185, as well as a right of first offer to rent additional space on another floor. The monthly rent for the amended lease is \$93,564 and contains provisions for certain non-lease components, as well as certain rent free holiday provisions of \$127,588, per annum.

In addition, the Organization also entered in a twelve-month lease in September 2022 in Washington D.C. The monthly rent is \$6,550. In January 2023 the monthly rent was reduced to \$4,913. In October 2023 the monthly rent was further reduced to \$4,250 and was extended till October 31, 2024.

Future minimal lease payments are as follows:

For the years ended December 31,

2024	\$	1,037,685
2025		995,185
2026		995,185
2027		995,185
2028		995,185
thereafter	\$	4,975,925

During calendar years ended December 31, 2023 and 2022, the Company's rent expense was \$922,094 and \$625,593 for each year, respectively.

The lease agreement also provides for a security deposit of \$300,000, which at December 31, 2023 and 2022 was evidenced by a letter of credit collateralized by the Organization's funds held in a deposit account. The letter of credit as extended to January 2025, 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.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE E: 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 privately held, it has elected to use a US Treasury Rate of five years which was the remaining amount of years at the time of adoption. At the end of January 2023, the Organization relocated to the 21st Floor and recorded a right to use assets of \$8,973,970, a right of use liability of \$8,973,970 and recorded a gain of \$126,164 from extinguishment of the old lease. Due to the Organization being a privately held it has elected to use the practical expedient of the US Treasury Rate of ten years of 3.55%, as allowed pursuant ASC Topic 842.

Right to use asset summary below:

	December 31,	
	2023	2022
New York, NY	\$ 8,973,969	\$ 2,848,137
Less accumulated depreciation	(679,846)	(589,270)
Right to use assets, net	\$ 8,294,123	\$ 2,258,867

During the year ended December 31, 2023 and 2022, the Organization recorded \$733,130 and \$589,270, respectively as a lease expense. The \$733,130 consists of \$53,284 of lease expense from the old location and \$679,846 from the new location.

Right to use liability summary below:

	December 31,	
	2023	2022
New York, NY	\$ 8,973,969	\$ 2,992,131
Less accumulated depreciation	(564,492)	(605,646)
Total lease liability	\$ 8,409,477	\$ 2,386,485

The terms and conditions of the amended lease executed in July 2022 were not recorded in 2022, pursuant to ASC Topic 842, due the relocation premises were subject to the Organization not controlling the renovations and the renovation at the relocation premises were subject to approval by the Organization before being required to surrender the existing premises and becoming obligated per the financial terms of the amended lease.

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 \$450,000 of personal funds to ACP.

AMERICAN CORPORATE PARTNERS
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

NOTE G: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 2, 2024, the financial statement issuance date.