The ACE Project, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2019

ROBERT ZURFACE CPA LLC

CERTIFIED PUBLIC ACCOUNTANTS / ADVISORS

The ACE Project, Inc.

TABLE OF CONTENTS

Year Ended December 31, 2019

ROBERT ZURFACE CPA LLC

Independent Auditor's Report

Board of Directors
The ACE Project, Inc.

We have audited the accompanying financial statements of The ACE Project, Inc. (an Illinois nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and the related statements of activities and change in net assets without restrictions, cash flows and functional expenses for the year 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 audit 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.

Effect of New Accounting Standard

As discussed in Note 6, the Organization adopted Financial Accounting Standards Board's Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) for the year ended December 31 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ACE Project, Inc as of December 31, 2019, and the change in net assets without restrictions, its cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ROBERT ZURFACE cpa llc

Certified Public Accountants
Greenfield Indiana

November 27, 2020

The ACE Project, Inc.

Statements of Financial Position

December 31, 2019

		December 31, 2019
ASSETS		
Cash	$	70,126
Accounts receivable	$	11,785
Total Assets	$	81,911
NET ASSETS		
Net assets with restrictions		13,794
Net assets without restrictions		68,117
total net assets		81,911
Total liabilities and net assets	$	81,911

See notes to Financial Statement

The ACE Project, Inc.

Statements of Activities and Change in Net Assets

Year Ended December 31, 2019

	Year ended December 31 , 2019		
	Without Restrictions	With Restrictions	Total
Revenue:			
Grants	$ 200,476	$ -	$ 200,476
Donations	23,584	-	23,584
Net assets released from restrictions	86,685	(86,685)	-
Total Revenue	310,745	(86,685)	224,060
Expenses:			
Program expenses	191,606	-	191,606
General and Administrative	18,358	-	18,358
Fund raising	33,750	-	33,750
Total Expenses	243,714	-	243,714
Change in Net Assets	67,031	(86,685)	(19,654)
Begininng Net Assets	1,086	100,479	101,565
Ending Net Assets	$ 68,117	$ 13,794	$ 81,911

See notes to Financial Statement

The ACE Project, Inc.

Statements of Cash Flows

Year Ended December 31, 2019

		December 31, 2019
Cash Flows from operating Activities:		
	Grants	$ 188,691
	Donations	23,584
	payments to vendors and others	(243,714)
	Net cash flows provided by operating activities	(31,439)
Cash and cash equivalents		
	Balance beginning of the year	101,565
	Balance end of the year	$ 70,126

See notes to Financial Statement

The ACE Project, Inc

Statements of Functional Expenses

Years Ended December 31, 2019

	Program	General and Administrative	Fundraising	December 31, 2019
Coaches	$ 137,960	$ -	$ -	$ 137,960
School supplies	8,146	-	-	8,146
Other school expenses	8,063	-	-	8,063
Summer camp and field trips	3,389	-	-	3,389
Snacks	1,833	-	-	1,833
RTS expenses	4,640	-	-	4,640
Grants & Scholarships	6,790	-	-	6,790
Misc	2,676	-	-	2,676
Admin Supplies	-	1,553	-	1,553
Admin Insurance	-	4,111	-	4,111
Admin Travel	-	134	-	134
Shirts/Uniforms	6,109	-	-	6,109
Professional Services	-	1,633	-	1,633
Accounting Services	-	3,100	-	3,100
Admin Professional Services	12,000	5,000	33,750	50,750
Meetings/Conference Calls	-	118	-	118
Marketing	-	2,709	-	2,709
Total	$ 191,606	$ 18,358	$ 33,750	$ 243,714

See notes to Financial Statement

The ACE Project, Inc.

Notes to Financial Statements
December 31, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by The ACE Project, Inc. (Organization) are listed

below: (a) **Adoption of New Accounting Pronouncements:**

For the year ended December 31, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This standard creates a single framework for recognizing revenue from contracts with customers and donors that fall within the scope of the standard.

All of the Organization's revenue from contracts with donors in the scope of Topic 606 is recognized within contributions in the Statement of Activities and Changes in Net Assets. The Organization records contributions as revenue upon receipt of cash or unconditional pledges. It is not typical for contracts to require significant judgment to determine the revenue from contracts with donors.

The Organization adopted Topic 606 using the full retrospective method applied to all contracts not completed as of January 1, 2018. Results for reporting periods beginning after adoption are presented under Topic 606. The adoption of this standard did not have a material impact on the measurement, timing, or recognition of revenue. Accordingly, no cumulative effect adjustment to opening net assets was deemed necessary.

For the year ended December 31, 2019, the Organization also adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total.

(b) The Organization was formed on February 25, 2013 to provide free after school programming and youth development opportunities in partnership with under-resourced school districts, park districts, and other community-based organizations.

(c) Assets and liabilities and revenue and expense are recognized on the accrual basis of accounting.

(d) The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Expenditures

Expenditures for maintenance, repairs, and renewals of minor items are charged to earnings as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

(f) Cash and cash equivalents consist of bank deposits in federally insured accounts and money market accounts. For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

(h) Management has evaluated subsequent events through November 27, 2020 the date that the financial statements were available to be issued.

Note 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the Statement of Financial Position of December 31, 2019 for general expenditures are as follows:

Cash and cash equivalents	$ 70,126
Accounts receivable	11,785

As part of the Organization's 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 requirement in short-term investments.

Note 3: TAX STATUS

Management evaluates all significant income tax positions that it takes. For the year ended December 31, 2019, management does not believe that it has taken any tax positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. No interest or penalties have been accrued or charged to expense as of December 31, 2019 or for the years then ended.

The Organization is considered exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code except for unrelated business income. The annual information returns for the Organization are subject to examination by taxing authorities for a period of three years from the date they are filed.

The federal tax returns of the Organization for the year ended December 31, 2019, December 31 2018, and December 31, 2017, are subject to examination by the taxing authority, generally for a period of three years from the date the tax returns were filed.

NOTE 4: FUNCTIONAL EXPENSES

The Organization operates programs that provide free after school programming and youth development opportunities in partnership with under-resourced school districts, and park districts. Program service expense was $191,606 and support service expense were $18,358 and fund raising of $33,750 for the year ended December 31, 2019.

Expenses are primarily allocated by function based on the time spent by each person at the respective function.

Note 5: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with Donor Restrictions are available for the following purposes at December 31, 2019:

Detroit programming	$	13,794

Note 6: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue from contracts in the scope of Topic 606 is recognized within revenue on the financial statements. The following table reflects only the categories of income that are within the scope of Topic 606:

	December 31, 2019
Donations and grants	$224,060

Donations and Grants: The Organization recognizes contributions and donations when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Donors include foundations, corporations and other businesses, and individuals. During the years ended December 31, 2019, the Organization did not receive any conditional promises to give.