KEVIN E. FORDYCE, CPA

ACCELERATOR FOR AMERICA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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Independent Auditors' Report

To the Board of Directors
Accelerator for America

We have audited the accompanying statement of financial position of Accelerator for America (the "Organization") as of December 31, 2020 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 ("GAAP"); 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.

Auditors' 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 ("GAAS"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 qualified audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accelerator for America as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Glendale, California
October 29, 2021

ACCELERATOR FOR AMERICA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash	$ 827,870	$ 784,289	$ 1,612,159
Pledges and Accounts Receivable	15,110	2,000,000	2,015,110
Prepaid Expenses	4,771	-	4,771
Equipment, Net	4,034	-	4,034
Total Assets	$ 851,785	$ 2,784,289	$ 3,636,074
LIABILITIES AND NET ASSETS			
Accounts Payable	$ 30,139	$ -	$ 30,139
Accrued Liabilities	121,442	-	121,442
Advance on Contingent Pledges	100,000	-	100,000
Loan Payable	123,937	-	123,937
Total Liabilities	375,518	-	375,518
Net Assets			
Without Donor Restrictions	476,267	-	476,267
With Donor Restrictions	-	2,784,289	2,784,289
Total Net Assets	476,267	2,784,289	3,260,556
Total Liabilities and Net Assets	$ 851,785	$ 2,784,289	$ 3,636,074

The accompanying notes are an integral part of these financial statements.

ACCELERATOR FOR AMERICA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 2,283,675	$ 2,784,289	$ 5,067,964
Interest and Dividends	5,172	-	5,172
Released from Restrictions	50,848	(50,848)	-
Total Support and Revenue	2,339,695	2,733,441	5,073,136
EXPENSES			
Program Services	1,753,629	-	1,753,629
Management and General	352,241	-	352,241
Fundraising	77,618	-	77,618
Total Expenses	2,183,488	-	2,183,488
Increase in Net Assets	156,207	2,733,441	2,889,648
Net Assets, Beginning of Year	320,060	50,848	370,908
Net Assets, End of Year	$ 476,267	$ 2,784,289	$ 3,260,556

The accompanying notes are an integral part of these financial statements.

ACCELERATOR FOR AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

EXPENSES	Program Services	Management and General	Fundraising	Total
Salaries, Wages and Benefits				
Salaries and Wages	$ 552,753	$ 180,314	$ 54,330	$ 787,397
Payroll Taxes	42,539	13,877	4,181	60,597
Benefits	26,046	8,496	2,560	37,102
Total Salaries, Wages and Benefits	621,338	202,687	61,071	885,096
Other Operating Expenses:				
Grants	775,029	-	-	775,029
Strategic Consultant	248,050	-	-	248,050
Legal and Accounting	-	123,453	-	123,453
Communications	34,373	11,213	3,379	48,965
Travel	38,828	-	-	38,828
Rent and Office Utilities	9,490	3,096	933	13,519
Office Expenses	9,232	3,012	907	13,151
Miscellaneous	7,364	2,402	724	10,490
Fundraising	-	-	9,629	9,629
Professional Services	6,441	2,101	633	9,175
Information Technology	2,889	943	284	4,116
Insurance	-	3,140	-	3,140
Depreciation	595	194	58	847
Total Other Operating Expenses	1,132,291	149,554	16,547	1,298,392
Total Operating Expenses	$ 1,753,629	$ 352,241	$ 77,618	$ 2,183,488

The accompanying notes are an integral part of these financial statements.

ACCELERATOR FOR AMERICA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities:	
Change in Net Assets	$ 2,889,648
Adjustment to Reconcile Change in Net Assets	
to Net Cash Provided By Operating Activities	
Depreciation Expense	847
Increase in Pledges and Accounts Receivable	(1,919,674)
Increase in Prepaid Expenses	(1,207)
Decrease in Accounts Payable and Accrued Expenses	(72,943)
Decrease in Advances on Contingent Pledges	(161,774)
Net Cash Provided By Operating Activities	734,897
Cash Flows From Investing Activities:	
Purchase of Equipment	(4,881)
Cash Flows from Financing Activities:	
Proceeds from Loan	123,937
Net Increase in Cash	853,953
Cash at Beginning of Year	758,206
Cash at End of Year	$ 1,612,159

The accompanying notes are an integral part of these financial statements.

Note 1 – Organization

Accelerator for America (the "Organization" or "AFA") is a non-profit charitable organization based in Los Angeles, California organized under 501(c)(3) of the Internal Revenue Code that provides strategic support for local initiatives that strengthen people's economic security, connects them with job opportunities and fosters infrastructure development. AFA's supported initiatives can be scaled nationwide to benefit disadvantaged communities.

The Organization shares certain costs and operational objectives with another organization called Accelerator for America Action ("AFAA"), a 501(c)(4) organization. Management has determined that it is not necessary to present the financial statements of the two organizations on a consolidated basis as each board has a common membership of less than 50%, and neither organization has an economic interest in, or ability to influence the actions of the other as described in Accounting Standards Codification ("ASC") 958-810.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with standards generally accepted in the United States of America ("GAAP").

Cash

Cash and cash equivalents consist of cash and temporary investments with initial maturities of three months or less when purchased. The Organization maintains its cash and cash equivalents in accounts that are protected under FDIC insurance. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its deposited cash and cash equivalents.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization has adopted Accounting Standards Update ("ASU") No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Donated Assets and Services

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

Note 2 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect costs were allocated based on direct labor dollars.

Use of 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates. The main estimate in these financial statements is the accrual or lack thereof for income tax expense.

Financial Statement Presentation and Contributions

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received or pledged. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions
Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in the primary objectives of the Organization.

Net Assets with Donor Restrictions
Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time or are restricted for long periods of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.

Some net assets with donor restrictions may be restricted by the donors for investment in perpetuity. The investment income is generally available for general support of the Organization's programs and operations.

It is the policy of the Organization to record support that is donor restricted as support without donor restrictions when the donor-imposed restrictions have been satisfied within the reporting period

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Income Taxes

The Organization is a non-profit organization exempt from income taxes under section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the California State Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates.

Note 2 – Summary of Significant Accounting Policies (Continued)

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

Recent Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires reporting entities to recognize the amount of revenue to which they expect to be entitled for the transfer of goods or services to customers. The updated standard will replace most existing revenue recognition in generally accepted accounting principles when it becomes effective and permits the use of either full retrospective or retrospective with cumulative effect transition methods. The Organization has implemented the standard which has resulted in no material changes to the financial statements or the notes thereto.

Leases

In February 2016 the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842), with subsequent improvements and clarifications issued in ASU 2018-01, ASU 2018-10 and ASU 2018-20. ASU 2016-02, along with the noted related ASUs issued in 2018 amends a number of aspects of lease accounting, including requiring lessees to recognize both a "right of use" asset and a corresponding lease obligation liability for all leases with a term longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of asset not to recognize the right of use asset and lease obligation liability. ASU 2016-02 is effective for the Organization in its fiscal year ended December 31, 2021. The Organization is currently evaluating the impact of the provisions of ASU 2016-02 and its related subsequent ASUs on the presentation of its financial statements.

Note 3 – Pledges and Accounts Receivable

Pledges and accounts receivable are $2,000,000 and $15,110 respectively at December 31, 2020. As of October 20, 2021, $1,000,000 of the outstanding $2,000,000 pledge has been received and all of the $15,110 in trade receivables. Management believes the risk that the remaining $1,000,000 receivable will not be collected as promised in 2022 is very low, and thus no reserve has been placed upon it.

Note 4 – Net Assets with Donor Restrictions

The restricted net assets at December 31, 2020 are comprised of three grants with remaining donor-imposed purpose restrictions of $2,784,289.

Note 5 – Equipment

Equipment consists of computers and peripherals that were purchased in 2020 at a cost of $4,881. Current year depreciation expense totaled $847, resulting in a net value of $4,034 at December 31, 2020.

Note 6 – Shared Costs

As discussed in Note 1, the Organization shares certain costs with AFAA. During the year ended December 31, 2020, the Organization charged $134,300 in salaries, wages, and benefits and $9,443 in travel and other benefits. The Organization also charged AFAA $567 interest on a short-term loan that AFA extended to them during the year.

AFAA shared on employee with AFA during the year and charged AFA $33,123 in allocated salaries, wages and benefits costs for that person.

Note 7 – Retirement Plan

The Organization established the Accelerator for America 401(k) Retirement Plan in 2020, and eligible employees were able to start contributing starting December 1, 2020. In order to be eligible to participate employees must be at least 21 years of age and have accrued at least 500 hours within 6 months of service. The plan allows for discretionary matching and discretionary profit sharing. The Organization did not make any matching contributions during the year.

Note 8 – Liquidity and Availability of Net Assets/PPP Loans

The Organization has financial assets, which are comprised of cash and receivables, of $3,627,269. There are no liquidity issues as of December 31, 2020, and the Organization is not in need of any outside credit resources to fund its operations, however in the spring of 2020, the Organization took out a Payroll Protection Program ("PPP") loan from the U.S. Government's Small Business Administration ("SBA") for $123,937 to assist with operational and financial challenges presented by the COVID pandemic. That loan is shown as a liability on the statement of financial position at December 31, 2020, however it was forgiven in full by the SBA in May 2021, and will be recognized as revenue in the Organization's financial statements for the year ending December 31, 2021.

In March 2021, the Organization took out a second PPP loan from the SBA. Like the first loan, it is to be paid over five years beginning 24 months after disbursement and carries an interest rate of 1.00%. The loan is forgivable up to 100% of the proceeds if the Organization expends the funds on salaries and certain other qualifying expenses. Management believes it will comply with the terms of the second PPP loan such that it will also be forgiven before the required loan payments are to begin.

The financial assets available to satisfy donor-restricted funds in the next fiscal year are as follows:

Cash	$ 1,612,159
Pledges and Accounts Receivable	2,015,110
Financial Assets	3,627,269
Restrictions To be Satisfied in One Year	(2,784,289)
Net Financial Assets	$ 842,980

Note 9 – Subsequent Events

Subsequent events have been evaluated by management through October 29, 2021 which is the date the financial statements were available to be issued. Management has determined there are no subsequent events that would require further disclosure.