KEVIN E. FORDYCE, CPA

ACCELERATOR FOR AMERICA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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Independent Auditors' Report

To the Board of Directors
Accelerator for America

Opinion

We have audited the accompanying financial statements of Accelerator for America (the "Organization") which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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 ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 GAAP, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Organization '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 the Organization '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.

[illegible], CPA

Glendale, California
July 22, 2022

ACCELERATOR FOR AMERICA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash	$ 654,856	$ 816,446	$ 1,471,302
Pledges and Accounts Receivable	11,938	1,000,000	1,011,938
Prepaid Expenses	2,860	-	2,860
Equipment, Net	4,665	-	4,665
Total Assets	$ 674,319	$ 1,816,446	$ 2,490,765
LIABILITIES AND NET ASSETS			
Accounts Payable	$ 64,601	$ -	$ 64,601
Accrued Liabilities	171,236	-	171,236
Total Liabilities	235,837	-	235,837
Net Assets			
Without Donor Restrictions	438,482	-	438,482
With Donor Restrictions	-	1,816,446	1,816,446
Total Net Assets	438,482	1,816,446	2,254,928
Total Liabilities and Net Assets	$ 674,319	$ 1,816,446	$ 2,490,765

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

ACCELERATOR FOR AMERICA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 400,938	$ 341,480	$ 742,418
Interest and Dividends	1,644	-	1,644
Other Income	248,347	-	248,347
Released from Restrictions	1,309,323	(1,309,323)	-
Total Support and Revenue	1,960,252	(967,843)	992,409
EXPENSES			
Program Services	1,565,932	-	1,565,932
Management and General	338,607	-	338,607
Fundraising	93,498	-	93,498
Total Expenses	1,998,037	-	1,998,037
Increase in Net Assets	(37,785)	(967,843)	(1,005,628)
Net Assets, Beginning of Year	476,267	2,784,289	3,260,556
Net Assets, End of Year	$ 438,482	$ 1,816,446	$ 2,254,928

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

ACCELERATOR FOR AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

EXPENSES	Program Services	Management and General	Fundraising	Total
Salaries, Wages and Benefits				
Salaries and Wages	$ 453,525	$ 150,615	$ 64,157	$ 668,297
Payroll Taxes	37,911	12,590	5,363	55,864
Benefits	33,404	11,093	4,725	49,222
Total Salaries, Wages and Benefits	524,840	174,298	74,245	773,383
Other Operating Expenses:				
Strategic Consultant	485,950	-	-	485,950
Grants	323,634	-	-	323,634
Legal and Accounting	-	113,543	-	113,543
Travel	96,273	-	-	96,273
Other Professional Services	49,409	16,408	6,989	72,806
Development	34,228	11,367	4,842	50,437
Communications	30,869	10,252	4,367	45,488
Miscellaneous	10,344	3,435	1,463	15,242
Office Expenses	8,295	2,754	1,173	12,222
Insurance	-	5,856	-	5,856
Depreciation	1,436	477	203	2,116
Information Technology	654	217	92	963
Fundraising	-	-	124	124
Total Other Operating Expenses	1,041,092	164,309	19,253	1,224,654
Total Operating Expenses	$ 1,565,932	$ 338,607	$ 93,498	$ 1,998,037

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

ACCELERATOR FOR AMERICA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities:	
Change in Net Assets	$ (1,005,628)
Adjustment to Reconcile Change in Net Assets	
to Net Cash Used In Operating Activities	
Forgiveness of Loan	(123,937)
Depreciation Expense	2,116
Decrease in Pledges and Accounts Receivable	1,003,172
Decrease in Prepaid Expenses	1,911
Increase in Accounts Payable and Accrued Expenses	84,256
Decrease in Advances on Contingent Pledges	(100,000)
Net Cash Used In Operating Activities	(138,110)
Cash Flows From Investing Activities:	
Purchase of Equipment	(2,747)
Net Decrease in Cash	(140,857)
Cash at Beginning of Year	1,612,159
Cash at End of Year	$ 1,471,302

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, 2021.

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 2018.

Recent Accounting Pronouncements

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, 2022. 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 $1,000,000 and $11,938 respectively at December 31, 2021. Management does not believe any of the pledges or accounts receivable will not be collected, therefore they have not established a reserve at time.

Note 4 – Net Assets with Donor Restrictions

The restricted net assets at December 31, 2021 are comprised of two grants with remaining donor-imposed purpose restrictions of $1,816,446. Of this total, $1,000,000 is also restricted for time as it is the pledge receivable noted in Note 3 which management believes will be collected in full during the year ending December 31, 2022.

Note 5 – Equipment

Equipment consists of computers and peripherals that were purchased during the years ended December 31, 2020 and 2021 at a cost of $7,628, with related accumulated depreciation at December 31, 2021 of $2,963, resulting in a net value of $4,665. Current year depreciation expense totaled $2,116.

Note 6 – Other Revenue

Other revenue of $248,347 consists of the recognition in revenue of the Organization's first Paycheck Protection Program ("PPP") receipt from the U.S. Government's Small Business Administration ("SBA") of $123,937 which was received but whose recognition was deferred in the year ended December 31, 2020, and the 2nd PPP receipt in the amount of $124,410 that was both received by the Organization and forgiven by the SBA, and thus recognized in as current year revenue, in the fiscal year ended December 31, 2021.

Note 7 – Shared Costs

As discussed in Note 1, the Organization shares certain costs with AFAA. During the year ended December 31, 2021, the Organization charged $63,088 in salaries, wages, and benefits and $9,916 in travel and other benefits.

AFAA shared one employee with AFA during the year and charged AFA $30,554 in allocated salaries, wages and benefits costs for that person.

Note 8 – 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 9 – Liquidity and Availability of Net Assets

The Organization has financial assets, which are comprised of cash and receivables, of nearly $2.5 million, which is enough to cover a full year's operating expenses as determined by an analysis of the expenditures of fiscal years ended December 31, 2019 through 2021. As shown in the schedule below, it is also enough to satisfy all of the current donor restrictions.

There are no liquidity issues as of December 31, 2021, as the Organization has a current ratio of approximately 11:1. Due to this strong position, the Organization is not in need of any outside credit resources to fund its operations at this time.

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

Cash	$ 1,471,302
Pledges and Accounts Receivable	1,011,938
Financial Assets	2,483,240
Restrictions To be Satisfied in One Year	(1,816,446)
Net Financial Assets	$ 666,794

Note 10 – Subsequent Events

Subsequent events have been evaluated by management through July 22, 2022, 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.