

**KEVIN E. FORDYCE, CPA**

**ACCELERATOR  
FOR AMERICA**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

The logo for Accelerator for America is a dark blue rectangle containing the text "ACCELERATOR FOR AMERICA" in white, bold, sans-serif font. "ACCELERATOR" is on the top line, "FOR" is on the second line, and "AMERICA" is on the third line.

**ACCELERATOR  
FOR AMERICA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**ACCELERATOR FOR AMERICA  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

Table of Contents

	<u>Pages</u>
Independent Auditors' Report	1
 <u>Financial Statements</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7



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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, 2022, and the related statements of activities, functional expenses, 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, 2022, 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.



Glendale, California  
September 11, 2023

**ACCELERATOR FOR AMERICA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 695,816	\$ 1,286,650	\$ 1,982,466
Pledges and Accounts Receivable	12,965	850,000	862,965
Prepaid Expenses	9,819	-	9,819
Equipment, Net	2,077	-	2,077
Total Assets	<u>\$ 720,677</u>	<u>\$ 2,136,650</u>	<u>\$ 2,857,327</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>			
Accounts Payable	\$ 36,948	\$ -	\$ 36,948
Accrued Liabilities	225,615	-	225,615
Total Liabilities	<u>262,563</u>	<u>-</u>	<u>262,563</u>
Net Assets			
Without Donor Restrictions	458,114	-	458,114
With Donor Restrictions	-	2,136,650	2,136,650
Total Net Assets	<u>458,114</u>	<u>2,136,650</u>	<u>2,594,764</u>
Total Liabilities and Net Assets	<u>\$ 720,677</u>	<u>\$ 2,136,650</u>	<u>\$ 2,857,327</u>

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

**ACCELERATOR FOR AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 458,414	\$ 1,642,259	\$ 2,100,673
Interest	1,043	-	1,043
Other Income	52	-	52
Released from Restrictions	<u>1,322,055</u>	<u>(1,322,055)</u>	<u>-</u>
Total Support and Revenue	<u>1,781,564</u>	<u>320,204</u>	<u>2,101,768</u>
<b><u>EXPENSES</u></b>			
Program Services	1,370,391	-	1,370,391
Management and General	284,467	-	284,467
Fundraising	<u>107,074</u>	<u>-</u>	<u>107,074</u>
Total Expenses	<u>1,761,932</u>	<u>-</u>	<u>1,761,932</u>
Increase in Net Assets	<u>19,632</u>	<u>320,204</u>	<u>339,836</u>
Net Assets, Beginning of Year	<u>438,482</u>	<u>1,816,446</u>	<u>2,254,928</u>
Net Assets, End of Year	<u>\$ 458,114</u>	<u>\$ 2,136,650</u>	<u>\$ 2,594,764</u>

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

**ACCELERATOR FOR AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

<b><u>EXPENSES</u></b>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Salaries, Wages and Benefits</u>				
Salaries and Wages	\$ 515,649	\$ 113,736	\$ 68,381	\$ 697,766
Payroll Taxes	39,169	8,639	5,194	53,002
Benefits	35,024	7,725	4,645	47,394
Total Salaries, Wages and Benefits	<u>589,842</u>	<u>130,100</u>	<u>78,220</u>	<u>798,162</u>
<u>Other Operating Expenses:</u>				
Strategic Consultant	327,115	-	-	327,115
Travel	188,994	-	-	188,994
Communications	92,674	20,441	12,290	125,405
Professional Services	85,124	18,776	11,288	115,188
Legal and Accounting	-	106,612	-	106,612
Software Development	40,024	-	-	40,024
Miscellaneous	17,532	3,867	2,325	23,724
Office Expenses	12,869	2,838	1,706	17,413
Grants	10,000	-	-	10,000
Information Technology	3,290	726	436	4,452
Depreciation	2,428	535	322	3,285
Development	499	110	66	675
Insurance	-	462	-	462
Fundraising	-	-	421	421
Total Other Operating Expenses	<u>780,549</u>	<u>154,367</u>	<u>28,854</u>	<u>963,770</u>
Total Expenses	<u>\$ 1,370,391</u>	<u>\$ 284,467</u>	<u>\$ 107,074</u>	<u>\$ 1,761,932</u>

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



**ACCELERATOR FOR AMERICA  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

Cash Flows from Operating Activities:	
Change in Net Assets	\$ 339,836
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities	
Depreciation Expense	3,984
Decrease in Pledges and Accounts Receivable	148,973
Decrease in Prepaid Expenses	(6,959)
Increase in Accounts Payable and Accrued Expenses	26,726
Net Cash Provided By Operating Activities	<u>512,560</u>
 Cash Flows From Investing Activities:	
Purchase of Equipment	<u>(1,396)</u>
 Net Increase in Cash	511,164
Cash at Beginning of Year	<u>1,471,302</u>
Cash at End of Year	<u><u>\$ 1,982,466</u></u>

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

**ACCELERATOR FOR AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Organization**

Accelerator for America (the "Organization" or "AFA") is a non-profit charitable organization based in the greater Los Angeles area 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.

**Equipment**

Equipment consists of computers and similar office equipment and furniture, the useful lives of which are between three and five years.

**Revenue Recognition**

All contributions are evaluated using the criteria outlined in the Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, which provides specific guidance as the proper revenue recognition related to donor conditional and restricted contributions. Any transactions that are not provided by a donor are accounted for under Accounting Standards Code ("ASC") Topic 606 *Contracts with Customers*.

Contributions are recognized as revenues when they are received or unconditionally pledged. The Organization reports unconditional gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restriction. Any pledged amounts with unfulfilled contingent requirements are recorded as liabilities in the statement of financial position.

**ACCELERATOR FOR AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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.

**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.

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.

**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.

**ACCELERATOR FOR AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

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.

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, 2022.

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 2019.

**Note 3 – Pledges and Accounts Receivable**

Pledges and accounts receivable are \$850,000 and \$12,965 respectively at December 31, 2022. Management does not believe any of the pledges or accounts receivable are uncollectible, therefore a reserve has not been established.

<u>Fiscal Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 300,000
2024	300,000
2025	250,000
Total	<u>\$ 850,000</u>

**Note 4 – Net Assets with Donor Restrictions**

The Organization currently has restrictions arising from five separate grants, which are summarized below. All grants are restricted for purpose, with two grants totaling \$850,000 restricted for time as well.

<u>Restriction Source</u>	<u>Balance at 12/31/21</u>	<u>Current Year Additions</u>	<u>Current Year Deletions</u>	<u>Balance at 12/31/22</u>
<i><u>Restricted for Purpose</u></i>				
Kaufman Foundation	\$ 341,480	\$ 350,000	\$ (678,351)	\$ 13,129
MasterCard Impact Fund	1,474,966	-	(980,575)	494,391
James Irvine Foundation	-	729,130	-	729,130
DRK Foundation	-	50,000	-	50,000
<i><u>Restricted for Time and Purpose</u></i>				
DRK Foundation	-	250,000	-	250,000
SIP ("I3")	-	600,000	-	600,000
Total	<u>\$ 1,816,446</u>	<u>\$ 1,979,130</u>	<u>\$ (1,658,926)</u>	<u>\$ 2,136,650</u>

**ACCELERATOR FOR AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Note 4 – Net Assets with Donor Restrictions (Continued)**

The DRK Foundation has provided one grant for \$300,000, of which no funds have been expended in satisfaction of the purpose restrictions, however \$50,000 was received by December 31, 2022, thus only \$250,000 of the grant is restricted for time, the remaining \$50,000 is shown as restricted for purpose only in the schedule above.

**Note 5 – Equipment**

Equipment consists of computers and peripherals at a cost of \$8,325, with related accumulated depreciation at December 31, 2021 of \$6,248, resulting in a net value of \$2,077. Current year depreciation expense totaled \$3,285.

**Note 6 – Shared Costs**

As discussed in Note 1, the Organization shares certain costs with AFAA. During the year ended December 31, 2022, the Organization charged \$92,022 in salaries, wages, and benefits and \$9,411 in travel and other reimbursable costs.

**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 employer discretionary matching and discretionary profit sharing, however the Organization did not make any matching contributions during the year ended December 31, 2022.

**Note 8 – Liquidity and Availability of Net Assets**

The Organization has financial assets, which are comprised of cash and receivables, of over \$2.8 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, 2021 through 2022. As shown in the schedule below, it is also enough financial assets to satisfy all of the current donor restrictions.

There are no liquidity issues as of December 31, 2022 as the Organization has a current ratio of approximately 8.8:1. 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	\$ 1,982,466
Pledges and Accounts Receivable	<u>862,965</u>
Financial Assets	2,845,431
Restrictions To be Satisfied in One Year	<u>(2,136,650)</u>
Net Financial Assets	<u>\$ 708,781</u>

**ACCELERATOR FOR AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**Note 9 – Subsequent Events**

Subsequent events have been evaluated by management through September 11, 2023 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.