

**AMPLIFY EQUITY, INC.**  
**Formerly Known as**  
**Alternative Venture Fund, Inc.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2023 and 2022**

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Amplify Equity, Inc., formerly known  
as Alternatives Venture Fund, Inc.

We have reviewed the accompanying financial statements of Amplify Equity, Inc. (a nonprofit organization), formerly known as Alternatives Venture Fund, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### 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 misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Amplify Equity, Inc., formerly known as Alternatives Venture Fund, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Sciarabba Walker & Co., LLP*  
Sciarabba Walker & Co., LLP

Ithaca, New York  
June 24, 2024

**AMPLIFY EQUITY, INC.**  
**Formerly known as Alternatives Venture Fund, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31,**

**ASSETS**

	2023	2022
<b>CURRENT ASSETS:</b>		
Cash, cash equivalents, and restricted cash	\$ 143,200	\$ 348,416
Loans receivable, current portion, net of allowance of \$0	45,168	8,391
Prepaid expenses	11,554	14,836
<b>TOTAL CURRENT ASSETS</b>	199,922	371,643
<b>FIXED ASSETS</b>	16,123	-
<b>NON-CURRENT ASSETS:</b>		
Right-of-use asset	21,885	-
Long-term prepaid expenses	-	8,030
Loans receivable, net of current portion, net of allowance of \$46,637 and \$37,500, respectively	149,106	17,481
<b>TOTAL NON-CURRENT ASSETS</b>	170,991	25,511
<b>TOTAL ASSETS</b>	\$ 387,036	\$ 397,154

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Due to AFCU	\$ 33,667	\$ 42,330
Accrued liabilities	11,181	2,709
Current portion of operating lease liability	5,606	-
Refundable advances	-	6,907
<b>TOTAL CURRENT LIABILITIES</b>	50,454	51,946
<b>NON-CURRENT LIABILITIES:</b>		
Operating lease liability, net current portion	16,279	-
Loan payable to AFCU	250,000	250,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	266,279	250,000
<b>NET ASSETS:</b>		
Net assets (deficit) without donor restriction:		
Undesignated	9,656	( 9,681)
Net assets with donor restriction	60,647	104,889
<b>TOTAL NET ASSETS</b>	70,303	95,208
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 387,036	\$ 397,154

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**Formerly known as Alternatives Venture Fund, Inc.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended December 31,**

	<u>2023</u>	<u>2022</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT:</b>		
Grants	\$ 134,965	\$ 318,023
Donations	3,191	4,639
Interest and dividends	9,169	2,170
<b>TOTAL PUBLIC SUPPORT</b>	<u>147,325</u>	<u>324,832</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	44,243	588,131
<b>EXPENSES AND LOSSES:</b>		
Program services	130,922	908,720
Management and general	41,308	31,059
<b>TOTAL EXPENSES</b>	<u>172,230</u>	<u>939,779</u>
Loss on return of funds to donors	-	17,435
<b>TOTAL EXPENSES AND LOSSES</b>	<u>172,230</u>	<u>957,214</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	19,338	( 44,251)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>( 44,243)</u>	<u>( 588,131)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>( 44,243)</u>	<u>( 588,131)</u>
<b>CHANGE IN NET ASSETS</b>	( 24,905)	( 632,382)
<b>NET ASSETS, beginning of year</b>	<u>95,208</u>	<u>727,590</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 70,303</u></u>	<u><u>\$ 95,208</u></u>

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**Formerly known as Alternatives Venture Fund, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31,**

	2023		
	Program Services	Management & General	Total
<b>EXPENSES:</b>			
Salaries and wages	\$ 77,884	\$ 25,172	\$ 103,056
Employee benefits and taxes	14,863	4,954	19,817
Professional services	2,996	3,288	6,284
Office expense	196	240	436
Software	13,812	4,604	18,416
Marketing	5,171	-	5,171
Travel	162	-	162
Insurance	525	175	700
Interest	3,266	-	3,266
Bad debt expense	9,137	-	9,137
Amortization	-	849	849
Miscellaneous	-	1,056	1,056
Small equipment expense	210	70	280
Lease expense	2,700	900	3,600
<b>TOTAL EXPENSES</b>	<b>\$ 130,922</b>	<b>\$ 41,308</b>	<b>\$ 172,230</b>
	2022		
	Program Services	Management & General	Total
<b>EXPENSES:</b>			
Salaries and wages	\$ 30,615	\$ 19,923	\$ 50,538
Employee benefits and taxes	4,888	4,887	9,775
Professional services	45,847	4,165	50,012
Office expense	-	1,603	1,603
Software	4,618	-	4,618
Marketing	-	127	127
Regrants	638,092	-	638,092
Travel	2,437	-	2,437
Contractual	142,826	-	142,826
Insurance	364	-	364
Interest	1,533	-	1,533
Bad debt expense	37,500	-	37,500
Miscellaneous	-	354	354
<b>TOTAL EXPENSES</b>	<b>\$ 908,720</b>	<b>\$ 31,059</b>	<b>\$ 939,779</b>

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**Formerly known as Alternatives Venture Fund, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31,**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ ( 24,905)	\$ ( 632,382)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization expense	849	-
Change in grants receivable	-	350,000
Change in prepaid expenses	11,312	( 22,866)
Change in accrued liabilities	8,472	2,186
Change in due to AFCU	( 8,663)	( 28,296)
Change in refundable advances	( 6,907)	( 45,993)
Change in right-of-use asset	( 21,885)	-
Change in lease liability	21,885	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>( 19,842)</b>	<b>( 377,351)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	( 16,972)	-
Advances of RISE loans	( 189,000)	( 50,800)
Payments received on RISE loans receivable	11,461	3,117
Change in loan loss reserve	9,137	37,500
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>( 185,374)</b>	<b>( 10,183)</b>
 <b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>( 205,216)</b>	<b>( 387,534)</b>
 <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year</b>	<b>348,416</b>	<b>735,950</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year</b>	<b>\$ 143,200</b>	<b>\$ 348,416</b>
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Taxes	-	-

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**Formerly known as Alternatives Venture Fund, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2023 and 2022**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization** – On February 8, 2023, the Organization’s name changed from Alternatives Venture Fund, Inc. to Amplify Equity, Inc.

Amplify Equity, Inc. (the Organization), formerly known as Alternatives Venture Fund, Inc., is a not-for-profit organization dedicated to providing community economic development through various mission-focused programs, previously in conjunction with Alternatives Federal Credit Union (AFCU). The Organization’s main program is as follows:

The Equity Lab, formerly known as Reimagining Inclusive Solutions for Entrepreneurs (RISE)

This program provides access to financing, combined with training and technical assistance, to low-income small business owners who are traditionally turned away from mainstream financial institutions.

The following are former programs of the Organization that were discontinued in 2022:

Individual Development Accounts (IDA)

Special savings accounts designed to assist low income people on their path toward asset ownership through matched savings and financial education. IDA’s encourage and reward the savings habits of people who are trying to buy their first home, pay for college, or start/expand a small business.

Volunteer Income Tax Assistance (VITA)

Free tax preparation for low income, qualified filers. Trained volunteers ensure that clients receive every tax credit they are entitled to, especially the Earned Income Tax Credit. To encourage long-term savings, clients are also eligible for a grant supported, high interest, VITA Savers Certificate.

BR MicroCapital (BRM)

The program began and is run by students in the Johnson Graduate School of Management at Cornell University. Working in partnership with Alternatives, BRM provides business and financial support for small business owners.

Bill Myers Youth Internship

A paid internship designed to provide opportunities for a high school student to do meaningful work within the credit union. Over the ten-month course of the internship, the student will work a variety of jobs, including the opportunity to manage one of the school credit union branches. This program was taken over by AFCU in 2022, as described in Note G.

**Basis of Accounting** - The Organization’s financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial Statement Presentation** - The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

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 the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**Income Taxes** - The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740-10 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - For cash flow purposes, the Organization considers all unrestricted highly liquid investments with a maturity of 3 months or less from the time of purchase to be cash equivalents.

**Fixed Assets** - Amounts for equipment and intangible assets are generally stated on the basis of cost. Depreciation is computed on the straight-line method at rates calculated to depreciate the cost of the assets over their estimated useful lives which range from 3 to 5 years.

**Loans Receivable** - Loans receivable (Note D) are stated at the principal outstanding less allowance for loan loss. Interest is calculated based on the principal outstanding.

Management has determined a need to establish a loan loss reserve to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on management's evaluation of the risk profile of the loan. Management has provided an allowance of \$46,637 and \$37,500 as of December 31, 2023 and 2022, respectively. Management is in the process of developing a loan manual that will include policies for placing loans receivable on nonaccrual status, recording payments on nonaccrual receivables, resuming accrual of interest, and determining the past due or delinquency status of loans receivable.

**Contributions** - The Organization accounts for contributions in accordance with the recommendations of the FASB ASC 958. In accordance with FASB ASC 958, contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (this is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets

with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

During the years ended December 31, 2023 and 2022, the Organization was awarded grants from federal, state, local, and private agencies that were classified as nonexchange transactions. Certain grant revenues meet the criteria to be treated as conditional promises to give where the revenue is recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of December 31, 2023 and 2022, the Organization had \$125,000 and \$116,664, respectively, of conditional federal grant revenue not recognized due to all conditions not yet being met. In addition, the Organization recognized \$6,907 of refundable advance liabilities on the financial statements at December 31, 2022 due to funds being advanced prior to conditions being met. The conditions were met during 2023.

**Functional Expenses** - The costs of providing the program and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited based on time and effort and/or actual usage. The expenses that are allocated by time and effort are salaries, employee benefits, and payroll taxes.

**Reclassifications** - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Leases** - The Organization has made an accounting policy election to not recognize lease assets and lease liabilities for leases with a term of 12 months or less unless the Organization has the ability and intent to extend the lease beyond a 12-month period.

**NOTE B – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

	2023	2022
Total current assets	\$ 199,922	\$ 371,643
Less: prepaid expenses	11,554	14,836
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 188,368</u>	<u>\$ 356,807</u>

As part of the Organization’s liquidity management, it has a goal to maintain enough cash and cash equivalents on hand to cover three months of lending capital.

## NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, consist of the following:

	2023	2022
Cash and cash equivalents	\$ 135,453	\$ 54,572
Cash - restricted	7,747	293,844
Cash, cash equivalents and restricted cash as shown in the statements of cash flows	<u>\$ 143,200</u>	<u>\$ 348,416</u>

## NOTE D – LOANS RECEIVABLE

Through the Equity Lab, formerly known as the RISE program, the Organization extends credit to small businesses in the form of loans receivable. Loans receivable are reported net of allowances for credit losses, which were \$46,637 and \$37,500 as of December 31, 2023 and 2022, respectively. Loans receivable comprised the following as of December 31:

	2023		2022		Interest Rate	Maturity Date
	Current	Noncurrent	Current	Noncurrent		
Loan 1	\$ 3,018	\$ 22,345	\$ 3,455	\$ 17,102	6%****	Dec. 2030
Loan 2	242	12,234	1,230	2,941	8%	Jul. 2027
Loan 3	3,831	11,868	1,470	17,174	10%*	Jun. 2027
Loan 4	4,356	13,476	2,236	17,764	8%**	Sep. 2027
Loan 5	5,882	14,105	-	-	8%**	Feb. 2028
Loan 6	5,855	23,567	-	-	8%***	Sep. 2028
Loan 7	2,999	7,001	-	-	8%***	Mar. 2028
Loan 8	702	2,980	-	-	8%***	Jun. 2028
Loan 9	4,263	15,208	-	-	8%***	Jun. 2028
Loan 10	4,156	15,844	-	-	8%***	Jul. 2028
Loan 11	2,431	7,548	-	-	8%***	Jul. 2028
Loan 12	2,984	17,016	-	-	8%****	Nov. 2028
Loan 13	1,338	8,662	-	-	8%****	Dec. 2028
Loan 14	881	6,119	-	-	8%****	Dec. 2028
Loan 15	1,115	8,885	-	-	8%****	Jan. 2029
Loan 16	1,115	8,885	-	-	8%****	Apr. 2029
Total	<u>45,168</u>	<u>195,743</u>	<u>8,391</u>	<u>54,981</u>		
Loans receivable total		240,911		63,372		
Less: allowance for credit losses		46,637		37,500		
Loans receivable, net		<u>\$ 194,274</u>		<u>\$ 25,872</u>		

\*The interest rate is 10% for the first 12 months of the loan. After 12 consecutive months of technical assistance through the Equity Lab, formerly known as the RISE program, the rate will be reduced to 8% for the remainder of the life of the loan.

\*\*The interest rate is 8% for the first 12 months of the loan. After 12 consecutive months of technical assistance through the Equity Lab, formerly known as the RISE program, the rate will be reduced to 6% for the remainder of the life of the loan.

\*\*\*If the borrower attends 12 months of free business mentoring or technical assistance program with the Organization, the borrower may be eligible to reduce the interest rate by 2% for the remainder of the loan.

\*\*\*\*The Organization will lower the interest rate annually by 2%, at the discretion of the Organization's staff, if the borrower makes a good faith effort to pay the loan every month.

#### NOTE E – FIXED ASSETS

Fixed assets consisted of the following at December 31:

	2023	2022
Start up costs	\$ 16,972	\$ -
Less: accumulated amortization	849	-
	<u>\$ 16,123</u>	<u>\$ -</u>

Amortization expense for the years ended December 31, 2023 and 2022 was \$849 and \$0, respectively.

#### NOTE F – OPERATING LEASE

Effective March 16, 2023, the Organization entered into a two-year lease agreement for administrative and program workspace. The Organization has an option to extend the lease; the option term will be determined by the landlord. The lease commenced July 1, 2023 with monthly payments of \$600. For the year ended December 31, 2023, lease expense was recognized and associated with the operating lease as fixed rent expense of \$3,600. The Organization has the unilateral right to exercise an option to extend the lease and is expected to extend it by two years.

The Organization has elected the short-term lease practical expedient.

The amount recognized as the right-of-use asset relating to the operating lease is presented as other assets while the related lease liability is shown as a current liability and a long-term liability. As of December 31, the right-of-use asset and operating lease liability are as follows:

	2023
Right-of-use asset	\$ 21,885
Operating lease liabilities	
Current portion of operating lease liability	5,606
Operating lease liability, net of current portion	16,279

During the year ended December 31, 2023, the Organization has the following cash and noncash activities associated with its operating lease:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	\$ 3,600

The future minimum annual payments due under operating leases as of December 31 are as follows:

	<u>2023</u>
2024	\$ 7,200
2025	7,200
2026	7,200
2027	<u>3,600</u>
Total future minimum lease payments	25,200
Less: amounts representing interest	<u>3,315</u>
Present value of future net minimum lease payments	21,885
Less: current portion	<u>5,606</u>
Long-term obligations under operating leases	<u><u>\$ 16,279</u></u>

As of December 31, 2023, the weighted-average remaining lease term for all operating leases is 1.5 years.

When the Organization does not have access to the rate implicit in the lease, the risk-free rate is utilized as the discount rate. The weighted average discount rate associated with the operating lease as of December 31, 2023 is 8.5%.

#### **NOTE G – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2023, two of the Organization’s Board members were also employees of AFCU:

- Kevin Mietlicki, AFCU CEO, is the Treasurer/Secretary of the Organization.
- Jackie Council, AFCU Communications and Outreach Coordinator, is a member of the Organization.

Additionally, the Organization granted a loan in the amount of \$20,000 to the Vice Chair of the Board of Directors’ son. See loan 5 in Note D for additional information.

Under the terms of a management agreement, AFCU provided the following services to the Organization through June 2022:

- Receipt, management and disbursement of funds.
- Hiring and management of staff.
- Housing of staff in AFCU facilities and use of AFCU equipment.
- Maintenance of financial records.
- Any other activities necessary for the conduct of the Organization’s business.

These contractual expenses reimbursable to AFCU for the years ended December 31, 2023 and 2022 totaled \$0 and \$142,826, respectively.

Through June 2022, the Organization operated under a shared management agreement with AFCU, with AFCU’s staff supporting the Organization’s working Board of Directors in fundraising for programs that fostered small business development, with those programs administered by AFCU. In 2022, the Organization and AFCU established the current collaboration agreement (dissolving the previous management agreement) with AFCU.

In 2021, AFCU made a \$250,000 loan to the Organization. The funds are restricted to be used as loan proceeds in the Equity Lab, formerly known as the RISE program. The loan has a ten-year term and an annual simple interest rate of 1%. Annual payments are due to AFCU beginning on December 31, 2022. These payments will consist of interest only for the first five years, and of principal and interest for the second five years. As of December 31, 2023, the loan matures as follows:

2024	\$	-
2025		-
2026		-
2027		49,010
2028		49,500
Thereafter		<u>151,490</u>
	\$	<u><u>250,000</u></u>

Interest expense was \$3,266 and \$1,533 for the years ended December 31, 2023 and 2022, respectively.

In 2022, the Organization made an agreement with AFCU that several programs previously run by the Organization would be administered by AFCU going forward. A total of \$371,590 that had previously been restricted for use in those programs was regranted to AFCU for these purposes.

**NOTE H – RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions comprised the following as of December 31,

	<u>2023</u>	<u>2022</u>
Subject to expenditure for the following program services:		
COVID Small Business Relief	\$ -	\$ 5,297
The Equity Lab, formerly known as the RISE Program	<u>60,647</u>	<u>99,592</u>
Total net assets with donor restrictions	<u><u>\$ 60,647</u></u>	<u><u>\$ 104,889</u></u>

**NOTE I – CONCENTRATIONS**

The Organization received 92% and 94% of total grant revenue from three organizations for the years ended December 31, 2023 and 2022, respectively.

Cash is maintained at one financial institution located in Upstate New York and is insured by the NCUSIF up to \$250,000. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Organization has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

In 2022, the Organization relied on AFCU for its operational and staffing needs as described in Note G. Approximately 19% of total expenses were reimbursements to AFCU for these costs for the years ended December 31, 2022.

#### **NOTE J – UNUSUAL AND INFREQUENTLY OCCURRING ITEMS**

In 2022, funds totaling \$17,435 that had previously been restricted for use in programs that were discontinued by the Organization were returned to their respective donors. These transactions are reported as a loss on the Statement of Activities and Changes in Net Assets.

#### **NOTE K – ADOPTION OF NEW ACCOUNTING STANDARD**

At January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements because the Organization assesses the risk of loss on each loan receivable individually rather than on a pooled basis.

#### **NOTE L – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 24, 2024, the date when the financial statements were available to be issued, and there are no subsequent events that require disclosure.