

**AMPLIFY EQUITY, INC.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2024 and 2023**

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Amplify Equity, Inc.

We have reviewed the accompanying financial statements of Amplify Equity, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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. 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.

*Sciara Walker & Co., LLP*  
Sciara Walker & Co., LLP

Ithaca, New York  
June 25, 2025

**AMPLIFY EQUITY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31,**

**ASSETS**

	2024	2023
<b>CURRENT ASSETS:</b>		
Cash, cash equivalents, and restricted cash	\$ 154,098	\$ 143,200
Loans receivable, current portion, net of allowance of \$0	30,202	45,168
Prepaid expenses	600	11,554
<b>TOTAL CURRENT ASSETS</b>	184,900	199,922
<b>INTANGIBLE ASSETS, net</b>	12,729	16,123
<b>NON-CURRENT ASSETS:</b>		
Right-of-use asset	16,279	21,885
Loans receivable, net of current portion, net of allowance of \$47,853 and \$46,637, respectively	227,633	149,106
<b>TOTAL NON-CURRENT ASSETS</b>	243,912	170,991
<b>TOTAL ASSETS</b>	\$ 441,541	\$ 387,036

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Due to AFCU	\$ -	\$ 33,667
Accrued interest due to AFCU	7,822	5,322
Accrued liabilities	5,043	5,859
Current portion of operating lease liability	6,101	5,606
<b>TOTAL CURRENT LIABILITIES</b>	18,966	50,454
<b>NON-CURRENT LIABILITIES:</b>		
Operating lease liability, net current portion	10,178	16,279
Loan payable to AFCU	250,000	250,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	260,178	266,279
<b>NET ASSETS:</b>		
Net assets without donor restriction:		
Undesignated	37,883	9,656
Net assets with donor restriction	124,514	60,647
<b>TOTAL NET ASSETS</b>	162,397	70,303
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 441,541	\$ 387,036

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended December 31,**

	2024	2023
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT:</b>		
Grants	\$ 183,486	\$ 134,965
Donations	3,748	3,191
Interest and dividends	9,424	9,169
Loan forgiveness	33,667	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>230,325</b>	<b>147,325</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	60,647	44,243
<b>EXPENSES AND LOSSES:</b>		
Program services	188,513	130,922
Management and general	74,232	41,308
<b>TOTAL EXPENSES</b>	<b>262,745</b>	<b>172,230</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	28,227	19,338
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>PUBLIC SUPPORT:</b>		
Grants	124,514	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>124,514</b>	<b>-</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	( 60,647)	( 44,243)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	63,867	( 44,243)
<b>CHANGE IN NET ASSETS</b>	92,094	( 24,905)
<b>NET ASSETS, beginning of year</b>	<b>70,303</b>	<b>95,208</b>
<b>NET ASSETS, end of year</b>	<b>\$ 162,397</b>	<b>\$ 70,303</b>

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31,**

	2024		
<b>EXPENSES:</b>	Program Services	Management & General	Total
Salaries and wages	\$ 113,291	\$ 37,764	\$ 151,055
Employee benefits and taxes	34,640	11,547	46,187
Professional services	-	14,075	14,075
Office expense	764	629	1,393
Software	11,254	3,752	15,006
Marketing	439	-	439
Travel	8,576	-	8,576
Insurance	433	144	577
Interest	2,500	-	2,500
Credit losses	11,216	-	11,216
Amortization expense	-	3,394	3,394
Miscellaneous	-	1,127	1,127
Lease expense	5,400	1,800	7,200
<b>TOTAL EXPENSES</b>	<b>\$ 188,513</b>	<b>\$ 74,232</b>	<b>\$ 262,745</b>

	2023		
<b>EXPENSES:</b>	Program Services	Management & General	Total
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
Credit losses	9,137	-	9,137
Amortization expense	-	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>

See accompanying notes and independent accountant's review report.

**AMPLIFY EQUITY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31,**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 92,094	\$ ( 24,905)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization expense	3,394	849
Change in prepaid expenses	10,954	11,312
Change in accrued interest due to AFCU	2,500	3,266
Change in accrued liabilities	( 816)	5,206
Change in due to AFCU	( 33,667)	( 8,663)
Change in refundable advances	-	( 6,907)
Change in right-of-use asset	5,606	( 21,885)
Change in lease liability	( 5,606)	21,885
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	74,459	( 19,842)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	-	( 16,972)
Advances of RISE loans	( 78,500)	( 189,000)
Payments received on RISE loans receivable	13,723	11,461
Change in loan loss reserve	1,216	9,137
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	( 63,561)	( 185,374)
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	10,898	( 205,216)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year</b>	143,200	348,416
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year</b>	\$ 154,098	\$ 143,200
<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.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2024 and 2023**

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

**Nature of Organization** – Amplify Equity, Inc. (the Organization) is a not-for-profit organization dedicated to providing community economic development through various mission-focused programs. The Organization’s main program is as follows:

The Equity Lab

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.

**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.

**Intangible Assets** - Amounts for intangible assets are generally stated on the basis of cost. Amortization is computed on the straight-line method at rates calculated to amortize 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 credit loss. Interest is calculated based on the principal outstanding.

Management has determined a need to establish a credit 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 \$47,853 and \$46,637 as of December 31, 2024 and 2023, 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 year ended December 31, 2024 and 2023, 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, 2024 and 2023, the Organization had \$0 and \$125,000 of conditional federal grant revenue not recognized due to all conditions not yet being met.

**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:

	2024	2023
Total current assets	\$ 184,900	\$ 199,922
Less: prepaid expenses	600	11,554
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 184,300</u>	<u>\$ 188,368</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:

	2024	2023
Cash and cash equivalents	\$ 149,048	\$ 135,453
Cash - restricted	5,050	7,747
Cash, cash equivalents and restricted cash as shown in the statements of cash flows	<u>\$ 154,098</u>	<u>\$ 143,200</u>

## NOTE D – LOANS RECEIVABLE

Through the Equity Lab, 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 \$47,853 and \$46,637 as of December 31, 2024 and 2023, respectively. Loans receivable comprised the following as of December 31:

	2024	2023
Business	\$ 305,688	\$ 240,911
Less: current portion	30,202	45,168
	275,486	195,743
Less: allowance for credit losses	47,853	46,637
Loans receivable, net	<u>\$ 227,633</u>	<u>\$ 149,106</u>

## NOTE E – INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31:

	2024	2023
Start up costs	\$ 16,972	\$ 16,972
Less: accumulated amortization	4,243	849
	<u>\$ 12,729</u>	<u>\$ 16,123</u>

Amortization expense for the years ended December 31, 2024 and 2023 was \$3,394 and \$849, respectively. Future estimated amortization expense is as follows:

	<u>2024</u>
2025	\$ 3,394
2026	3,394
2027	3,394
2028	<u>2,547</u>
	<u>\$ 12,729</u>

#### 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 years ended December 31, 2024 and 2023, lease expense was recognized and associated with the operating lease as fixed rent expense of \$7,200 and \$3,600, respectively. 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:

	<u>2024</u>	<u>2023</u>
Right-of-use asset	\$ 16,279	\$ 21,885
Operating lease liabilities		
Current portion of operating lease liability	6,101	5,606
Operating lease liability, net of current portion	10,178	16,279

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

	<u>2024</u>
2025	\$ 7,200
2026	7,200
2027	<u>3,600</u>
Total future minimum lease payments	18,000
Less: amounts representing interest	<u>1,721</u>
Present value of future net minimum lease payments	16,279
Less: current portion	6,101
Long-term obligations under operating leases	<u>\$ 10,178</u>

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

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	\$ 7,200	\$ 3,600

As of December 31, 2024 and 2023, the weighted-average remaining lease term for all operating leases is 2.5 years and 3.5 years, respectively.

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, 2024 and 2023 is 8.5%.

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

During the years ended December 31, 2024 and 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, was Chair of the Board of Directors of the Organization through August 2024.

During 2023, the Organization granted a loan in the amount of \$20,000 to the son of the Board of Directors’ Vice Chair (Chair as of January 2025). Principal and interest payments of \$406 per month at an interest rate of 8% were scheduled to commence on March 1, 2023. The monthly payment decreased to \$394 with an interest rate of 6% beginning February 1, 2024. The loan has a balance of \$19,987 and \$19,776 for the years ended December 31, 2024 and 2023, respectively.

In 2021, AFCU made a \$250,000 loan to the Organization. The funds are restricted to be used as loan proceeds for business lending. The loan has a ten-year term and an annual simple interest rate of 1%. Annual payments were due to AFCU beginning on December 31, 2022. These payments were to consist of interest only for the first five years, and of principal and interest for the second five years. As of December 31, 2024, the Organization has not paid any interest to AFCU; accrued interest due to AFCU is reflected on the Statements of Financial Position. As of December 31, 2024, the loan matures as follows:

2025	\$ -
2026	-
2027	49,010
2028	49,500
2029	49,995
Thereafter	<u>101,495</u>
	<u>\$ 250,000</u>

Interest expense was \$2,500 and \$3,266 for the years ended December 31, 2024 and 2023, respectively.

**NOTE H – RESTRICTIONS ON NET ASSETS**

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for program services:	<u>\$ 124,514</u>	<u>\$ 60,647</u>
Total net assets with donor restrictions	<u><u>\$ 124,514</u></u>	<u><u>\$ 60,647</u></u>

**NOTE I – CONCENTRATIONS**

The Organization received 88% and 92% of total grant revenue from three organizations for the years ended December 31, 2024 and 2023, 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.

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

During 2024, AFCU determined that the Organization’s outstanding liabilities of \$33,667 resulting from the prior collaboration agreement was forgiven. The Organization reported the transaction as loan forgiveness on the Statement of Activities and Changes in Net Assets.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 25, 2025, the date when the financial statements were available to be issued, and there are no subsequent events that require disclosure.