AMPLIO NETWORK

AMPLIO

FINANCIAL STATEMENTS

DECEMBER 31, 2021

With

INDEPENDENT AUDITOR’S REPORT
AMPLIO NETWORK

Financial Statements
December 31, 2021

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INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees
of Amplio Network

Seattle, Washington

Opinion
We have audited the accompanying financial statements of Amplio Network (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Amplio Network 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.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Amplio Network 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 accounting principles generally accepted in the United States of America, 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, which raise substantial doubt about Amplio Network’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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 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 generally accepted auditing standards, 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 Amplio Network'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, which raise substantial doubt about Amplio Network'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.

Hanlin Moss Yi, P.S.
Seattle, Washington
June 28, 2022
Amplio Network

Statement of Financial Position

December 31, 2021

Assets
Current assets
  Cash and cash equivalents $ 533,878
  Accounts receivable, net 37,636
  Inventory 78,201
  Total current assets 649,715

Security deposits 4,532
Unexpired lease 125,496
$ 779,743

Liabilities
Current liabilities
  Accounts payable $ 17,756
  Accrued payroll liabilities 11,788
  Accrued interests 4,122
  33,666

SBA EIDL Loan 149,900
Unexpired lease obligation 125,496
  309,062

Net Assets

$ 470,681

$ 779,743

Note: Some totals may not equal due to rounding

See Accompanying Notes
## Amplio Network

### Statement of Activities

**Year Ended December 31, 2021**

<table>
<thead>
<tr>
<th>Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events and programs</td>
<td>$ 74,559</td>
<td>$</td>
<td>$</td>
<td>$ 74,559</td>
</tr>
<tr>
<td>Talking books revenue</td>
<td>95,589</td>
<td></td>
<td></td>
<td>95,589</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>826,705</td>
<td></td>
<td></td>
<td>826,705</td>
</tr>
<tr>
<td>Other</td>
<td>374</td>
<td></td>
<td></td>
<td>374</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>997,227</strong></td>
<td></td>
<td></td>
<td><strong>997,227</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program and Operating Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of talking books</td>
<td>90,874</td>
<td></td>
<td></td>
<td>90,874</td>
</tr>
<tr>
<td>Program research and development</td>
<td>42,799</td>
<td></td>
<td></td>
<td>42,799</td>
</tr>
<tr>
<td>Affiliate program support</td>
<td>177,872</td>
<td></td>
<td></td>
<td>177,872</td>
</tr>
<tr>
<td>Business development</td>
<td>40,212</td>
<td></td>
<td></td>
<td>40,212</td>
</tr>
<tr>
<td>Occupancy expense</td>
<td>53,042</td>
<td></td>
<td></td>
<td>53,042</td>
</tr>
<tr>
<td>Personnel</td>
<td>900,335</td>
<td></td>
<td></td>
<td>900,335</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>56,686</td>
<td></td>
<td></td>
<td>56,686</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,361,820</strong></td>
<td></td>
<td></td>
<td><strong>1,361,820</strong></td>
</tr>
</tbody>
</table>

**Change in Net Assets from Operating Activities**

| (364,593)                            |              |                        |                        | (364,593) |

### Other Income and (Expenses)

| PPP Loan Forgiven                    | 209,079      |                        |                        | 209,079 |
| Interest expenses                    | (4,122)      |                        |                        |        |
|                                     | 204,957      |                        |                        | 209,079 |

**Total change in Net Assets**

| (159,636)                            |              |                        |                        | (159,636) |

### Net Assets

| Net Assets, Beginning of the Year    | 600,317      | 30,000                 |                        | 630,317 |
|                                      |              |                        |                        |       |
| Net Assets, End of the Year          | $ 440,681    | $ 30,000               | $                      | $ 470,681 |

*Note: Some total may not equal due to rounding*
### Amplio Network

**Statement of Functional Expense**

**Year Ended December 31, 2021**

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Talking Book</th>
<th>Fund Raising</th>
<th>Total Functional Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of talking books</td>
<td>$90,874</td>
<td>$</td>
<td>$90,874</td>
</tr>
<tr>
<td>Program research and development</td>
<td>$42,799</td>
<td></td>
<td>$42,799</td>
</tr>
<tr>
<td>Affiliate program support</td>
<td>$177,872</td>
<td></td>
<td>$177,872</td>
</tr>
<tr>
<td>Business development</td>
<td>$40,212</td>
<td></td>
<td>$40,212</td>
</tr>
<tr>
<td>Occupancy expense</td>
<td>$53,042</td>
<td></td>
<td>$53,042</td>
</tr>
<tr>
<td>Personnel</td>
<td>$871,431</td>
<td>$28,904</td>
<td>$900,335</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>$53,696</td>
<td>$2,990</td>
<td>$56,686</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,329,926</strong></td>
<td><strong>$31,894</strong></td>
<td><strong>$1,361,820</strong></td>
</tr>
</tbody>
</table>

*Note: Some totals may not equal due to rounding*

See Accompanying Notes
Amplio Network

Statement of Cash Flows

Year Ended December 31, 2021

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$ (159,636)</td>
</tr>
<tr>
<td>Adjustment to Reconcile Changes in Net Assets to Net Cash Provided by Operations:</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable increase</td>
<td>(22,676)</td>
</tr>
<tr>
<td>Inventory decrease</td>
<td>58,622</td>
</tr>
<tr>
<td>Receivable from Affiliates - decrease</td>
<td>50,098</td>
</tr>
<tr>
<td>Accounts Payable - increase</td>
<td>6,223</td>
</tr>
<tr>
<td>Accrued Liabilities - increase</td>
<td>4,994</td>
</tr>
<tr>
<td>Forgiveness of SBA PPP Loans</td>
<td>(209,079)</td>
</tr>
<tr>
<td>Net Cash Provided by (Used for) Operating Activities</td>
<td>(271,455)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from SBA PPP Loans</td>
<td>149,582</td>
</tr>
</tbody>
</table>

Net Increase (Decrease) in Cash   (121,873)

Beginning of the Year   655,750

End of the Year $ 533,878

Note: Some total may not equal due to rounding

See Accompanying Notes
NOTE 1 ORGANIZATION AND OPERATION

Amplio was founded in 2007 to address global poverty by creating simple, cost-effective, technology-based solutions to empower low-literate people with access to knowledge. We focus on reaching the most marginalized and underserved populations in remote rural areas. Together with our partners and supporters, we deliver programs across many sectors, including agriculture, health, education, and women’s empowerment.

Our solution is the Amplio Talking Book: a rugged, battery-powered audio device designed for people with low or zero literacy skills. It delivers hours of targeted content in any language. Users select and play messages on demand. They can also record their feedback. A built-in speaker allows families and groups to listen and learn together. Plus, there’s no cost to the end-user.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Amplio Network has adopted the Financial Accounting Standards Board Codification 958-205-45-2, “Financial Statements of Not-for-Profit Organizations”, where Amplio Network is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

It is Amplio’s policy to report as unrestricted revenues those temporarily restricted contributions for which the restrictions are released during the same year.

Method of Accounting

Amplio uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred. Amplio has allocated a portion of the salary and benefits of the administrative staff to the Management and General column shown in the Statement of Functional Expenses.

Revenue Recognition

Revenue is recognized upon invoices of talking books or receipt of donations. We have analyzed the provisions of the FASB’s ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to confirm with the new standard.

Property and Equipment

Property and equipment are carried at cost. Depreciation, including amortization of capital leases (if any) is computed using the straight-line method over estimated lives ranging from five to ten years.

Promises to Give

Contributions are recognized when the donor makes a promise to give to Amplio that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporary
or permanently restricted net assets, depending on the nature of the restrictions. When a
restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts receivable

Accounts receivable consist entirely of contributions. Management is of the opinion that no
allowance for uncollectible accounts is necessary, and none has been included. This is consistent
with generally accepted accounting principles.

Concentrations

Cash in bank as of December 31, 2021 is $354,505.

Functional allocation of expenses

The allocated expenses are based upon purpose of use. The costs of fundraising include the
compensations paid for the assigned employee devoted to fundraising events and administrative
expenses related. The costs of providing the programs and the costs of fundraising have been
summarized on a functional basis in the statement of functional expenses.

Investments

Amplio has adopted FASB ASC 958-320-50-1, “Accounting for Certain Investments Held by Not-
for-Profit Organizations.” Under this FASB standard, investments in marketable securities with
readily determinable fair values and all investments in debt securities are reported at their fair
values on the balance sheet. Unrealized gains and losses are included in the change of net
assets. Investment income gains and losses restricted by a donor are reported as
increases/decreases in unrestricted net assets if the restrictions are met (either by passage of
time or by use) in the reporting period in which the income, gain or losses are recognized.

Federal Income Taxes

Amplio is a non-profit organization exempt from income taxes under Section 501(c) (3) of the
Internal Revenue Code. Accordingly, no provision for income taxes is reflected in these financial
statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Amplio considers all highly liquid debt instruments
purchased with a maturity of three months, or less, to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting
principles requires management to make estimates and assumptions that affect certain reported
amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management’s Review

Management has evaluated subsequent events through May 31, 2022, the date on which the
financial statements were available to be issued.
NOTE 3 UNEXPIRED LEASES

In July 2014, the Organization agreed to a five-year lease for facilities in Seattle. The organization renewed the lease for another 5 years on August 1, 2019 and modified the lease on January 1, 2022.

The present value of the unexpired leases as of December 31, 2021 is $125,496. Generally accepted accounting principles require that the Organization disclose on its statement of financial position the estimated value of the unexpired lease and the associated lease obligation.

The values of unexpired leases and unexpired leases obligation as of December 31, 2021 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unexpired leases</td>
<td>$125,496</td>
</tr>
<tr>
<td>Unexpired leases obligation</td>
<td>(125,496)</td>
</tr>
</tbody>
</table>

NOTE 4 LONG-TERM LOANS:

In response to the coronavirus (Covid-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Small Business Administration (SBA) loans and the Paycheck Protection Program (PPP) to provide small business loans. In August 2020, the Organization obtained an SBA loan for $149,900. Note payable consists of that SBA loan, payable monthly at $641, including interest at 2.75% per annum; incurred by all costs, tangibles and intangibles. The note matures in thirty years. Based on the SBA procedural notice 5000-830558 effective on March 15 2022, this SBA loan now have a total deferment of 30 months from the date of the original Note August 27 2020, to start making payments. The ending balance and accrued interest of SBA loan on December 31, 2021 are $149,900 and $4,122.

The Organization obtained two PPP loans $59,497 in 2020 and $149,582 in 2021. The Organization has recognized a gain $209,079 on forgiveness of the PPP loans and the two PPP loan forgiveness were granted in January and November 2021 respectively.