

# **ASSET FUNDERS NETWORK**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2024, AND 2023**

# ASSET FUNDERS NETWORK

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## Independent Auditors' Report

To the Board of Directors of  
Asset Funders Network

### Opinion

We have audited the accompanying financial statements of Asset Funders Network (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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, 2024, and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audits. 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, 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.



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## 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 auditors' 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 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.

*TKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
May 2, 2025

## **FINANCIAL STATEMENTS**

**ASSET FUNDERS NETWORK  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,**

| <b>ASSETS</b>                           | <b>2024</b>         | <b>2023</b>         |
|---|---------------------|---------------------|
| Cash and Cash Equivalents               | \$ 1,305,725        | \$ 1,926,556        |
| Short-term Investments                  | 483,648             | -                   |
| Contributions Receivable, Net           | 578,000             | 966,432             |
| Prepaid Expenses                        | 19,886              | 8,755               |
| <b>Total Assets</b>                     | <b>\$ 2,387,259</b> | <b>\$ 2,901,743</b> |
| <br><b>LIABILITIES AND NET ASSETS</b>   |                     |                     |
| <b>Current Liabilities</b>              |                     |                     |
| Accounts Payable                        | \$ 27,895           | \$ 47,006           |
| Accrued Expenses                        | 87,352              | 71,811              |
| Accrued Interest                        | 151                 | 2,690               |
| Note Payable, Current                   | 3,643               | 1,103               |
| <b>Total Current Liability</b>          | <b>119,041</b>      | <b>122,610</b>      |
| <br><b>Noncurrent Liabilities</b>       |                     |                     |
| Note Payable, Noncurrent                | 145,154             | 148,797             |
| <b>Total Noncurrent Liability</b>       | <b>145,154</b>      | <b>148,797</b>      |
| <b>Total Liabilities</b>                | <b>264,195</b>      | <b>271,407</b>      |
| <br><b>NET ASSETS</b>                   |                     |                     |
| Without Donor Restrictions              | 1,508,369           | 957,068             |
| With Donor Restrictions                 | 614,695             | 1,673,268           |
| <b>Total Net Assets</b>                 | <b>2,123,064</b>    | <b>2,630,336</b>    |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 2,387,259</b> | <b>\$ 2,901,743</b> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
|--|---------------------------------------|------------------------------------|---------------------|
| <b>REVENUE, GAINS AND SUPPORT</b>            |                                       |                                    |                     |
| Grants and Contributions                     | \$ 2,749,500                          | \$ 748,000                         | \$ 3,497,500        |
| Membership Revenue                           | 973,000                               | -                                  | 973,000             |
| Conference Fees and Sponsorships             | 357,409                               | -                                  | 357,409             |
| Other Income                                 | 15,248                                | -                                  | 15,248              |
| <b>Total Revenues</b>                        | <b>4,095,157</b>                      | <b>748,000</b>                     | <b>4,843,157</b>    |
| <b>Net Assets Released from Restrictions</b> | <b>1,806,573</b>                      | <b>(1,806,573)</b>                 | <b>-</b>            |
| <b>Total Revenue, Gains and Support</b>      | <b>5,901,730</b>                      | <b>(1,058,573)</b>                 | <b>4,843,157</b>    |
| <b>EXPENSES</b>                              |                                       |                                    |                     |
| Program Services                             |                                       |                                    |                     |
| Communications and National Projects         | 591,901                               | -                                  | 591,901             |
| Regions and Regional Projects                | 2,584,988                             | -                                  | 2,584,988           |
| Conference                                   | 497,626                               | -                                  | 497,626             |
| <b>Total Program Services</b>                | <b>3,674,515</b>                      | <b>-</b>                           | <b>3,674,515</b>    |
| Support Services                             |                                       |                                    |                     |
| Management and General                       | 1,670,423                             | -                                  | 1,670,423           |
| Fundraising                                  | 5,491                                 | -                                  | 5,491               |
| <b>Total Support Services</b>                | <b>1,675,914</b>                      | <b>-</b>                           | <b>1,675,914</b>    |
| <b>Total Expenses</b>                        | <b>5,350,429</b>                      | <b>-</b>                           | <b>5,350,429</b>    |
| <b>Net Increase (Decrease) in Net Assets</b> | <b>551,301</b>                        | <b>(1,058,573)</b>                 | <b>(507,272)</b>    |
| Net Assets, Beginning of Year                | 957,068                               | 1,673,268                          | 2,630,336           |
| <b>Net Assets, End of Year</b>               | <b>\$ 1,508,369</b>                   | <b>\$ 614,695</b>                  | <b>\$ 2,123,064</b> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|--|---------------------------------------|------------------------------------|---------------------|
| <b>REVENUE, GAINS AND SUPPORT</b>            |                                       |                                    |                     |
| Grants and Contributions                     | \$ 1,041,524                          | \$ 2,603,432                       | \$ 3,644,956        |
| Membership Revenue                           | 538,000                               | 82,000                             | 620,000             |
| Conference Fees and Sponsorships             | 12,145                                | 100,850                            | 112,995             |
| <b>Total Revenues</b>                        | <u>1,591,669</u>                      | <u>2,786,282</u>                   | <u>4,377,951</u>    |
| <b>Net Assets Released from Restrictions</b> | <u>2,180,539</u>                      | <u>(2,180,539)</u>                 | <u>-</u>            |
| <b>Total Revenue, Gains and Support</b>      | <u>3,772,208</u>                      | <u>605,743</u>                     | <u>4,377,951</u>    |
| <b>EXPENSES</b>                              |                                       |                                    |                     |
| Program Services                             |                                       |                                    |                     |
| Communications and National Projects         | 1,078,091                             | -                                  | 1,078,091           |
| Regions and Regional Projects                | 2,327,790                             | -                                  | 2,327,790           |
| Conference                                   | 150,993                               | -                                  | 150,993             |
| <b>Total Program Services</b>                | <u>3,556,874</u>                      | <u>-</u>                           | <u>3,556,874</u>    |
| Support Services                             |                                       |                                    |                     |
| Management and General                       | 595,507                               | -                                  | 595,507             |
| Fundraising                                  | 222,344                               | -                                  | 222,344             |
| <b>Total Support Services</b>                | <u>817,851</u>                        | <u>-</u>                           | <u>817,851</u>      |
| <b>Total Expenses</b>                        | <u>4,374,725</u>                      | <u>-</u>                           | <u>4,374,725</u>    |
| <b>Net Increase (Decrease) in Net Assets</b> | (602,517)                             | 605,743                            | 3,226               |
| Net Assets, Beginning of Year                | 1,559,585                             | 1,067,525                          | 2,627,110           |
| <b>Net Assets, End of Year</b>               | <u>\$ 957,068</u>                     | <u>\$ 1,673,268</u>                | <u>\$ 2,630,336</u> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | Program Services                           |                                     |                   |                           | Support Services          |                 | Total               |
|--|--|-------------------------------------|-------------------|---------------------------|---------------------------|-----------------|---------------------|
|  | Communications<br>and National<br>Projects | Regions and<br>Regional<br>Projects | Conference        | Total Program<br>Services | Management<br>and General | Fundraising     |                     |
| <b>Expenses</b>                        |  |                                     |                   |                           |                           |                 |                     |
| Salaries and Wages                     | \$ 299,306                                 | \$ 1,476,422                        | \$ 25,020         | \$ 1,800,748              | \$ 1,156,575              | \$ -            | \$ 2,957,323        |
| Payroll Taxes                          | 23,540                                     | 107,901                             | 16,775            | 148,216                   | 84,812                    | -               | 233,028             |
| Employee Benefits                      | 53,192                                     | 267,082                             | 29,685            | 349,959                   | 185,047                   | -               | 535,006             |
| Conference and Convening Production    | 500  | 20,516                              | 230,125           | 251,141                   | 2,834                     | -               | 253,975             |
| Contracted Staff                       | 104,125                                    | 175,530                             | 34,910            | 314,565                   | 72,365                    | -               | 386,930             |
| General and Administrative             | 89   | 8,859                               | 9,171             | 18,119                    | 95,313                    | 5,491           | 118,923             |
| Interest                               | -  | -                                   | -                 | -                         | 4,050                     | -               | 4,050               |
| Marketing and Communication            | 3,398                                      | 9,990                               | 34,606            | 47,994                    | 50,655                    | -               | 98,649              |
| Non-Staff Researchers and Contributors | 95,400                                     | 481,458                             | 24,580            | 601,438                   | 2,500                     | -               | 603,938             |
| Travel                                 | 12,351                                     | 37,230                              | 92,754            | 142,335                   | 16,272                    | -               | 158,607             |
| <b>Total Expenses</b>                  | <u>\$ 591,901</u>                          | <u>\$ 2,584,988</u>                 | <u>\$ 497,626</u> | <u>\$ 3,674,515</u>       | <u>\$ 1,670,423</u>       | <u>\$ 5,491</u> | <u>\$ 5,350,429</u> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

|  | Program Services                           |                                     |                   |                           | Support Services          |                   | Total               |
|--|--|-------------------------------------|-------------------|---------------------------|---------------------------|-------------------|---------------------|
|  | Communications<br>and National<br>Projects | Regions and<br>Regional<br>Projects | Conference        | Total Program<br>Services | Management<br>and General | Fundraising       |                     |
| <b>Expenses</b>                        |  |                                     |                   |                           |                           |                   |                     |
| Salaries and Wages                     | \$ 507,555                                 | \$ 1,353,289                        | \$ 54,989         | \$ 1,915,833              | \$ 344,131                | \$ 190,401        | \$ 2,450,365        |
| Payroll Taxes                          | 82,387                                     | 58,871                              | 15,987            | 157,245                   | 27,822                    | 8,884             | 193,951             |
| Employee Benefits                      | 93,335                                     | 124,816                             | 41,879            | 260,030                   | 56,332                    | 14,092            | 330,454             |
| Conference and Convening Production    | 59   | 35,958                              | 4,078             | 40,095                    | 39                        | 17                | 40,151              |
| Contracted Staff                       | 74,075                                     | 167,059                             | 13,670            | 254,804                   | 77,407                    | -                 | 332,211             |
| General and Administrative             | 6,369                                      | 19,674                              | 1,281             | 27,324                    | 65,997                    | 5,090             | 98,411              |
| Interest                               | -  | -                                   | -                 | -                         | 4,121                     | -                 | 4,121               |
| Marketing and Communication            | 28,995                                     | 49,778                              | 17,594            | 96,367                    | 6,164                     | 3,229             | 105,760             |
| Non-Staff Researchers and Contributors | 279,029                                    | 465,416                             | 205               | 744,650                   | 12,826                    | 349               | 757,825             |
| Travel                                 | 6,287                                      | 52,929                              | 1,310             | 60,526                    | 668                       | 282               | 61,476              |
| <b>Total Expenses</b>                  | <u>\$ 1,078,091</u>                        | <u>\$ 2,327,790</u>                 | <u>\$ 150,993</u> | <u>\$ 3,556,874</u>       | <u>\$ 595,507</u>         | <u>\$ 222,344</u> | <u>\$ 4,374,725</u> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Cash Flows From Operating Activities</b>   |                     |                     |
| Change in Net Assets  | \$ (507,272)        | \$ 3,226            |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities:                |                     |                     |
| Changes in Assets and Liabilities:  |                     |                     |
| Contributions Receivable, Net   | 388,432             | (266,932)           |
| Prepaid Expenses  | (11,131)            | (4,555)             |
| Accounts Payable  | (19,111)            | (15,032)            |
| Accrued Expenses  | 15,541              | 1,603               |
| Accrued Interest  | (2,539)             | (3,571)             |
| Note Payable  | (1,103)             | -                   |
| <b>Net Cash Provided By (Used In) Operating Activities</b>  | <b>(137,183)</b>    | <b>(285,261)</b>    |
| <br><b>Cash Flows From Investing Activities</b>   |                     |                     |
| Purchase of Short-term Investments  | (483,648)           | -                   |
| <b>Net Cash Provided By (Used In) Investing Activities</b>  | <b>(483,648)</b>    | <b>-</b>            |
| <br><b>Net Increase (Decrease) - Cash and Restricted Cash</b>   | <b>(620,831)</b>    | <b>(285,261)</b>    |
| <b>Cash and Restricted Cash, Beginning of Year</b>  | <b>1,926,556</b>    | <b>2,211,817</b>    |
| <b>Cash and Restricted Cash, End of Year</b>  | <b>\$ 1,305,725</b> | <b>\$ 1,926,556</b> |
| <br><b>Supplemental Disclosure:</b>   |                     |                     |
| As of December 31, 2024, and 2023, the amounts included in<br>cash and restricted cash include the following: |                     |                     |
| Cash - Operations   | \$ 714,530          | \$ 1,177,220        |
| Donor - Restricted Cash   | 591,195             | 749,336             |
| <b>Total Cash and Restricted Cash</b>   | <b>\$ 1,305,725</b> | <b>\$ 1,926,556</b> |

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Asset Funders Network (AFN) was established and incorporated in the State of Illinois on June 4, 2018, and designated as an organization exempt under Internal Revenue Code (IRC) Section 501(c)(3) on March 9, 2019, for the exclusive purpose to present research and best practices that support investments and efforts to increase the economic stability, financial capability, and prosperity of low and moderate income individuals and households, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the IRC, or the corresponding section of any future federal tax code.

AFN has over 165 institutional members and offers the following membership types: standard, national supporter, regional supporter, and conference sponsorship. Member contributions are expended on the following programs:

- i. *Communications and National Projects* – Broad focus initiatives to building economic well-being for low- and moderate-income people.
- ii. *Regions and Regional Projects* – Connect grantmakers and colleagues in nonprofit, public, and private sectors to facilitate collaboration to maximize their impact on individual, family, and community wealth in a targeted region.
- iii. *Conference* – Build awareness of key issues, promising approaches and timely, relevant research to support strategic and impactful investments.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-for-Profit Organizations. Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of AFN and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** These assets include resources not subject to donor-imposed restrictions.

**Net assets with donor restrictions:** These assets include resources subject to donor-imposed stipulations that may, or will, be met either by actions of AFN and/or the passage of time. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. These assets may also include resources subject to donor-imposed restrictions that require permanent investment by AFN. See *Note 4*.

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash, Cash Equivalents, and Restricted Cash

AFN considers investment instruments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts approximate fair value because of the short maturity of those instruments. There were no cash equivalents as of December 31, 2024, and 2023.

Short-term Investments

AFN considers investment instruments purchased with an original maturity between three months and one year to be short-term investments. The carrying amounts approximate fair value because of the short maturity of those instruments. Short-term investments were \$483,648 and \$0 as of December 31, 2024, and 2023, respectively.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses related to contracted and salaried staff, non-staff researchers and travel are allocated based on estimates of time and effort. The remaining expenses are allocated based on direct use by each program or supporting function. Such estimates are determined by management.

Revenue Recognition

*Grants and Contributions*

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. All grant receivables are considered collectable. Grants and other contributions of cash and other assets are reported as 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, these net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition (continued)

*Contributions Receivable*

Unconditional contributions receivable expected to be received within one year and are recorded at their net realizable value. Unconditional contributions receivable due beyond one year are stated at net present value of the estimated cash flows using the risk-free interest rate at the time the pledges or contributions were made. AFN estimates an allowance for doubtful accounts based on an analysis of and communications with specific donors regarding the donor's likelihood to pay. As of December 31, 2024, and 2023, AFN has established an allowance for doubtful accounts of \$0 and \$0, respectively. As of December 31, 2024, and 2023, net contributions receivable with donor restrictions were approximately \$23,500 and \$923,932, respectively.

*Membership Revenue*

Membership revenue is recognized when an organization commits to join or continue the AFN membership, generally indicated by its dues payment. Dues are considered unconditional contributions and are recognized without restriction in the corresponding year for which the contribution is made. Dues contributions that are specifically assigned by the member for a subsequent period are considered with donor restriction until that period occurs, at which time the restriction is released. As of December 31, 2024, and 2023, membership dues contributions receivable with donor restrictions were approximately \$0 and \$20,000, respectively.

*Conference Fees and Sponsorships*

AFN presents webinars and holds local and national convenings to provide members the following resources and benefits:

- i. Inform - Discover best practices, promising innovations, and actionable roles for funders and financial institutions through AFN's original research, webinars, and local and national convenings;
- ii. Connect - Develop and expand national and regional networks with peer learning as well as cross-sector, aligned and collaborative efforts;
- iii. Influence - Engage with peers and public and private stakeholders in frank, issue-based discussions addressing policy and practice to foster systemic change;
- iv. Build - Amplify impact and support the growth of scalable strategies to advance the movement to close the wealth inequities.

Conference fees and sponsorships performance obligations, which are participation based for each event, are satisfied at the point in time at which each event and webinar is concluded or upon the occurrence of planning activities that result in expenses being incurred. Revenue is recognized upon completion of distinct performance obligations in the same accounting period in which each specific performance obligation is met.

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

AFN is exempt from federal income tax under Section 501(c)(3) of the IRC. AFN is annually required to file *Return of Organization Exempt from Income Tax* (Form 990) with the IRS. AFN believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. AFN's tax returns for the years ended 2021-2023, by statute, may be subject to normal federal and state examination.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. CASH**

AFN maintains its cash balances at one financial institution which is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2024, and 2023, the uninsured and uncollateralized cash balances totaled \$1,525,193 and \$1,665,531, respectively. AFN has not experienced any loss in such accounts. The risk is managed by maintaining deposits in a high-quality financial institution.

AFN's cash balances included donor restricted cash of \$591,195 and \$749,336 at December 31, 2024, and 2023, respectively.

**NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AFN has the ability to access.

**Level 2** - Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value as of December 31, 2024:

|                                     | <u>Level 1</u> | <u>Level 2</u>    | <u>Level 3</u> | <u>Total</u>      |
|-------------------------------------|----------------|-------------------|----------------|-------------------|
| CDs                                 | \$ -           | \$ 483,648        | \$ -           | \$ 483,648        |
| <b>Total Short-term Investments</b> | <u>\$ -</u>    | <u>\$ 483,648</u> | <u>\$ -</u>    | <u>\$ 483,648</u> |

**NOTE 4. CONTRIBUTIONS RECEIVABLE**

AFN anticipates collection of contributions receivable, net as follows:

|  | <u>2024</u>       | <u>2023</u>       |
|--|-------------------|-------------------|
| <b>One Year or Less:</b>                     |                   |                   |
| Without Donor Restrictions                   | \$ 554,500        | \$ 42,500         |
| Restricted for Particular Use                | 23,500            | 408,932           |
| Restricted to Passage of Time                | -                 | 515,000           |
| <b>Contributions Receivable, Total</b>       | <u>578,000</u>    | <u>966,432</u>    |
| <b>Less: Allowance for Doubtful Accounts</b> | <u>-</u>          | <u>-</u>          |
| <b>Contributions Receivable, Net</b>         | <u>\$ 578,000</u> | <u>\$ 966,432</u> |

**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods as of December 31, 2024, and 2023

|   | <u>2024</u>       | <u>2023</u>         |
|---|-------------------|---------------------|
| <b>Specified Use Restrictions:</b>              |                   |                     |
| Communication and National Projects             | \$ 80,000         | \$ 476,303          |
| Regions and Regional Projects                   | 379,695           | 544,465             |
| <b>Time Restrictions:</b>                       |                   |                     |
| General Use                                     | 155,000           | 612,500             |
| Memberships                                     | -                 | 40,000              |
| <b>Total net assets with donor restrictions</b> | <u>\$ 614,695</u> | <u>\$ 1,673,268</u> |

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 6. NOTE PAYABLE**

On June 10, 2020, AFN entered into an agreement with the SBA to obtain an Economic Injury Disaster Loan (EIDL) in the amount of \$150,000 net of a \$100 fee. The EIDL is designed to provide economic relief to businesses experiencing temporary loss of revenue during the COVID-19 crisis. On June 24, 2020, SBA disbursed the EIDL in the full amount to AFN. The loan is collateralized by AFN's assets. The EIDL has a term of thirty years and an interest rate of 2.75%. Loan principal and interest payments are deferred for the first thirty months from the date of the note, after which, AFN must pay \$641 a month. As of December 31, 2024, and 2023, the outstanding loan principal balance was \$148,797 and \$149,900, respectively.

Maturities of AFN's note payable in each of the next five years and thereafter are as follows:

| <b>Year Ending<br/>December 31,</b> | <b>Principal</b>         | <b>Interest</b>         | <b>Total</b>             |
|-------------------------------------|--------------------------|-------------------------|--------------------------|
| 2025                                | \$ 3,643                 | \$ 4,049                | \$ 7,692                 |
| 2026                                | 3,745                    | 3,947                   | 7,692                    |
| 2027                                | 3,849                    | 3,843                   | 7,692                    |
| 2028                                | 3,946                    | 3,746                   | 7,692                    |
| 2029                                | 4,066                    | 3,626                   | 7,692                    |
| Thereafter                          | 129,548                  | 44,212                  | 173,760                  |
| <b>Total</b>                        | <b><u>\$ 148,797</u></b> | <b><u>\$ 63,423</u></b> | <b><u>\$ 212,220</u></b> |

For the year ended December 31, 2024, and 2023, interest expenses were \$4,050 and \$4,121, respectively.

**NOTE 7. EMPLOYEE RETIREMENT PLAN**

In March 2021, AFN began offering a 401(k) plan in which eligible employees are entitled to become participants of the plan from date of hire. AFN remits nonelective contributions of 5% of the participating employee's annual earnings. For the years ended December 31, 2024, and 2023, employer nonelective contributions amounted to \$150,915 and \$119,896, respectively.

**ASSET FUNDERS NETWORK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023**

**NOTE 8. LIQUIDITY AND AVAILABILITY OF FUNDS**

The following table reflects AFN's financial assets reduced by amounts not available for general use within one year. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of December 31, 2024, and 2023.

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| Cash and Cash Equivalents   | \$ 1,305,725        | \$ 1,926,556        |
| Contributions Receivable  | <u>578,000</u>      | <u>966,432</u>      |
| <b>Subtotal</b>   | <u>1,883,725</u>    | <u>2,892,988</u>    |
| Less: Restricted Amounts  |                     |                     |
| Restricted Cash   | (591,195)           | (749,336)           |
| Restricted Contribution Receivables   | <u>(23,500)</u>     | <u>(923,932)</u>    |
| <b>Financial Assets Available to Meet Cash Needs<br/>for General Expenditures Within One Year</b> | <u>\$ 1,269,030</u> | <u>\$ 1,219,720</u> |

AFN manages operating liquidity primarily through budgeted monthly cash inflows and outflows. Cash inflows are estimated based on current membership and secured grant funding. Cash outflows are planned accordingly to not exceed those expected inflows.

**NOTE 9. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

AFN's primary source of revenue is from grants and contributions received from individuals, foundations and corporations located across the country. The ability of certain donors to continue providing support may be dependent upon current and future overall economic conditions and the continued performance of AFN in meeting the needs of such donors. Management believes it has the resources to continue its programs indefinitely, however, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

**NOTE 10. STAFFING EXPENSES**

For the years ending December 31, 2024, and 2023, salaries and wages expenses amounted to \$2,957,323 and \$2,450,365, respectively. In 2021, AFN began the two-step process to become best in class and a high road employer by first converting from independent contractor to employee status the seven core staff members who performed roles in the leadership, membership, website, and fiscal functions. In 2022, AFN proceeded with the second stage of the Board approved plan and converted 11 additional staff members from independent contractor to employee status via employment contracts that are contingent on funding availability. As of December 31, 2024, AFN had 33 employees in 14 states.

**NOTE 11. SUBSEQUENT EVENTS**

Management evaluated all activity through May 2, 2025, the date the financial statements were available to be issued. There are no other matters identified for recognition in the financial statements at December 31, 2024.