

ASSET FUNDERS NETWORK

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2022, AND 2021**

ASSET FUNDERS NETWORK

TABLE OF CONTENTS

	Page No.
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-15



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 corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asset Funders Network as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Asset Funders 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.

Prior Period Financial Statements

The financial statements of Asset Funders Network as of December 31, 2021, were audited by other auditors whose report dated May 26, 2022 expressed an unmodified opinion on those statements.

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 Asset Funders Network's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Asset Funders 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, that raise substantial doubt about Asset Funder 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.

Kubiak Melton & Associates, LLC

Kubiak, Melton & Associates, LLC
Auditors – Business Consultants - CPAs

June 9, 2023
Albuquerque, New Mexico

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

ASSETS	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,211,817	\$ 2,294,916
Contributions Receivable, Net	699,500	327,000
Prepaid Expenses	<u>4,200</u>	<u>4,992</u>
Total Assets	<u>\$ 2,915,517</u>	<u>\$ 2,626,908</u>
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 62,038	\$ 19,364
Accrued Expenses	70,208	54,029
Accrued Interest	6,261	6,764
Note Payable	<u>149,900</u>	<u>149,900</u>
Total Liabilities	<u>288,407</u>	<u>230,057</u>
NET ASSETS		
Without Donor Restrictions	1,559,585	789,146
With Donor Restrictions	<u>1,067,525</u>	<u>1,607,705</u>
Total Net Assets	<u>2,627,110</u>	<u>2,396,851</u>
Total Liabilities and Net Assets	<u>\$ 2,915,517</u>	<u>\$ 2,626,908</u>

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total 2022
REVENUE, GAINS AND SUPPORT			
Grants and Contributions	\$ 1,355,700	\$ 1,303,830	\$ 2,659,530
Membership Revenue	584,000	194,500	778,500
Conference Fees and Sponsorships	46,297	125,000	171,297
Total Revenues	1,985,997	1,623,330	3,609,327
Net Assets Released from Restrictions	2,163,510	(2,163,510)	-
Total Revenue, Gains and Support	4,149,507	(540,180)	3,609,327
EXPENSES			
Program Services			
Communications and National Projects	966,063	-	966,063
Regions and Regional Projects	1,322,752	-	1,322,752
Conference	478,311	-	478,311
Total Program Services	2,767,126	-	2,767,126
Support Services			
Management and General	429,415	-	429,415
Fundraising	182,527	-	182,527
Total Support Services	611,942	-	611,942
Total Expenses	3,379,068	-	3,379,068
Net Increase (Decrease) in Net Assets	770,439	(540,180)	230,259
Net Assets, Beginning of Year	789,146	1,607,705	2,396,851
Net Assets, End of Year	\$ 1,559,585	\$ 1,067,525	\$ 2,627,110

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>
REVENUE, GAINS AND SUPPORT			
Grants and Contributions	\$ 506,500	\$ 1,436,750	\$ 1,943,250
Membership Revenue	492,500	106,000	598,500
Conference Fees and Sponsorships	-	245,000	245,000
Total Revenues	<u>999,000</u>	<u>1,787,750</u>	<u>2,786,750</u>
Net Assets Released from Restrictions	<u>1,955,980</u>	<u>(1,955,980)</u>	<u>-</u>
Total Revenue, Gains and Support	<u>2,954,980</u>	<u>(168,230)</u>	<u>2,786,750</u>
EXPENSES			
Program Services			
Communications and National Projects	694,096	-	694,096
Regions and Regional Projects	1,396,811	-	1,396,811
Conference	46,593	-	46,593
Total Program Services	<u>2,137,500</u>	<u>-</u>	<u>2,137,500</u>
Support Services			
Management and General	447,842	-	447,842
Fundraising	141,893	-	141,893
Total Support Services	<u>589,735</u>	<u>-</u>	<u>589,735</u>
Total Expenses	<u>2,727,235</u>	<u>-</u>	<u>2,727,235</u>
Net Increase (Decrease) in Net Assets	227,745	(168,230)	59,515
Net Assets, Beginning of Year	<u>561,401</u>	<u>1,775,935</u>	<u>2,337,336</u>
Net Assets, End of Year	<u>\$ 789,146</u>	<u>\$ 1,607,705</u>	<u>\$ 2,396,851</u>

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services			Support Services		Total 2022	
	Communications and National Projects	Regions and Regional Projects	Conference	Total Program Services	Management and General		Fundraising
Expenses							
Salaries and Wages	\$ 485,465	\$ 699,914	\$ 126,276	\$ 1,311,655	\$ 318,040	\$ 146,335	\$ 1,776,030
Payroll Taxes	36,352	54,887	9,692	100,931	22,999	10,582	134,512
Employee Benefits	48,753	70,558	12,840	132,151	34,314	15,788	182,253
Conference and Convening Production	1,669	21,686	158,433	181,788	610	260	182,658
Contracted Staff	176,431	166,578	39,285	382,294	30,956	-	413,250
General and Administrative	40,842	69,759	11,830	122,431	18,885	7,498	148,814
Interest	1,187	1,577	299	3,063	274	646	3,983
Marketing and Communication	56,530	36,137	85,044	177,711	3,078	1,308	182,097
Non-Staff Researchers and Contributors	116,346	166,274	23,084	305,704	-	-	305,704
Travel	2,488	35,382	11,528	49,398	259	110	49,767
Total Expenses	\$ 966,063	\$ 1,322,752	\$ 478,311	\$ 2,767,126	\$ 429,415	\$ 182,527	\$ 3,379,068

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>			<u>Support Services</u>		<u>Total 2021</u>	
	<u>Communications and National Projects</u>	<u>Regions and Regional Projects</u>	<u>Conference</u>	<u>Total Program Services</u>	<u>Management and General</u>		<u>Fundraising</u>
Expenses							
Salaries and Wages	\$ 95,037	\$ 96,255	\$ 10,304	\$ 201,596	\$ 293,233	\$ 103,568	\$ 598,397
Payroll Taxes	6,833	7,376	710	14,919	22,692	8,015	45,626
Employee Benefits	13,144	14,823	2,228	30,195	35,131	12,408	77,734
Conference and Convening Production	75	7,250	6	7,331	66	20	7,417
Contracted Staff	376,847	750,611	28,964	1,156,422	70,158	9,764	1,236,344
General and Administrative	22,819	61,240	3,625	87,684	19,020	5,722	112,426
Interest	1,699	3,002	146	4,847	1,455	462	6,764
Marketing and Communication	75,255	296,198	610	372,063	6,087	1,934	380,084
Non-Staff Researchers and Contributors	102,387	156,250	-	258,637	-	-	258,637
Travel	-	3,806	-	3,806	-	-	3,806
Total Expenses	<u>\$ 694,096</u>	<u>\$ 1,396,811</u>	<u>\$ 46,593</u>	<u>\$ 2,137,500</u>	<u>\$ 447,842</u>	<u>\$ 141,893</u>	<u>\$ 2,727,235</u>

See Independent Auditors' Report and Notes to Financial Statements

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

	2022	2021
Cash Flows From Operating Activities		
Change in Net Assets	\$ 230,259	\$ 59,515
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in Assets and Liabilities:		
Contributions Receivable, Net	(372,500)	807,000
Prepaid Expenses	792	(4,992)
Accounts Payable	42,674	(18,295)
Accrued Expenses	16,179	38,229
Accrued Interest	(503)	6,764
Net Cash Provided By (Used In) Operating Activities	(83,099)	888,221
Net Increase (Decrease) - Cash and Restricted Cash	(83,099)	888,221
Cash and Restricted Cash, Beginning of Year	2,294,916	1,406,695
Cash and Restricted Cash, End of Year	\$ 2,211,817	\$ 2,294,916
Supplemental Disclosure:		
As of December 31, 2022, and 2021, the amounts included in cash and restricted cash include the following:		
Cash - Operations	\$ 1,709,292	\$ 992,211
Donor - Restricted Cash	502,525	1,302,705
Total Cash and Restricted Cash	\$ 2,211,817	\$ 2,294,916

See Independent Auditors' Report and Notes to Financial Statements

**ASSET FUNDERS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021**

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 middle 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 140 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 middle-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. 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, 2022, AND 2021**

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, 2022 and 2021.

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

Revenue from grants and contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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, 2022, and 2021, AFN has established an allowance for doubtful accounts of \$0 and \$17,500, respectively. As of December 31, 2022, and 2021, net contributions receivable with donor restrictions were approximately \$565,000 and \$267,500, respectively.

**ASSET FUNDERS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

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, 2022, and 2021, membership dues contributions receivable with donor restrictions were approximately \$23,500 and \$37,500, 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. 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, 2022, AND 2021**

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 2019 - 2021, 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.

COVID-19 Pandemic

COVID-19 is a worldwide pandemic. Throughout the pandemic, AFN has remained committed to the mission and purpose of AFN, taken preventive measures by strictly adhering to and monitoring the Centers for Disease Control guidelines and regulations, and continued to maintain adequate internal controls over financial transactions and reporting. AFN operations have been largely unaffected due to the existing remote and virtual nature of AFN.

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, 2022, and 2021, the uninsured and uncollateralized cash balances totaled \$1,932,317 and \$1,992,916, 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 \$502,525 and \$1,302,705 at December 31, 2022 and 2021, respectively.

**ASSET FUNDERS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021**

NOTE 3. CONTRIBUTIONS RECEIVABLE

AFN anticipates collection of contributions receivable, net as follows:

	<u>2022</u>	<u>2021</u>
One Year or Less:		
Without Donor Restrictions	\$ 134,500	\$ 32,000
Restricted for Particular Use	161,500	10,000
Restricted to Passage of Time	398,500	272,500
One to Five Years:		
Restricted for Particular Use	5,000	-
Restricted to Passage of Time	-	30,000
Contributions Receivable, Total	<u>699,500</u>	<u>344,500</u>
Less: Allowance for Doubtful Accounts	-	(17,500)
Contributions Receivable, Net	<u>\$ 699,500</u>	<u>\$ 327,000</u>

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of December 31, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
Specified Use Restrictions:		
Regions and Regional Projects	\$ 568,050	\$ 363,160
Communication and National Projects	82,475	596,975
Conference	-	266,570
Time Restrictions:		
General Use	375,000	275,000
Memberships	42,000	106,000
Total net assets with donor restrictions	<u>\$ 1,067,525</u>	<u>\$ 1,607,705</u>

**ASSET FUNDERS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021**

NOTE 5. 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, 2022, and 2021, the outstanding loan principal balance was \$149,900 for each year.

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

Year Ending December 31,	Principal	Interest	Total
2023	\$ -	\$ 7,692	\$ 7,692
2024	1,103	6,589	7,692
2025	3,643	4,049	7,692
2026	3,745	3,947	7,692
2027	3,849	3,843	7,692
Thereafter	137,560	51,584	189,144
Total	<u>\$ 149,900</u>	<u>\$ 77,704</u>	<u>\$ 227,604</u>

For the year ended December 31, 2022, and 2021, interest expenses were \$3,983 and \$6,764, respectively.

NOTE 6. 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, 2022, and 2021, employer nonelective contributions amounted to \$89,266 and \$32,199, respectively.

**ASSET FUNDERS NETWORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021**

NOTE 7. 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, 2022, and 2021.

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,709,292	\$ 992,211
Contributions Receivable	<u>134,500</u>	<u>22,000</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,843,792</u>	<u>\$ 1,014,211</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 8. 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 9. STAFFING EXPENSES

For the years ending December 31, 2022, and 2021, salaries and wages expenses amounted to \$1,776,030 and \$598,397, 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, 2022, AFN had 25 employees in 12 states.

NOTE 10. SUBSEQUENT EVENTS

Management evaluated all activity through June 9, 2023, the date the financial statements were available to be issued. See Note 1: Summary of Significant Accounting Policies for the COVID-19 Pandemic disclosure. There are no other matters identified for recognition in the financial statements at December 31, 2022.