

**THE FREEDOM FUND**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Freedom Fund  
New York, New York

### ***Opinion***

We have audited the accompanying financial statements of The Freedom Fund, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of The Freedom Fund 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.

We did not audit the financial statements of the United Kingdom and Ethiopia-based operations of The Freedom Fund, which statements reflect total assets of \$377,115 as of December 31, 2021, and total revenues of \$3,609,036 and total assets of \$362,495 as of December 31, 2021, and total revenues of \$1,241,632, respectively, for the year then ended. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the United Kingdom and Ethiopia-based operations of The Freedom Fund, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the United Kingdom and Ethiopia-based operations of The Freedom Fund, prior to these conversion adjustments, is based solely on the report of the other auditors.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 The Freedom Fund 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, that raise substantial doubt about The Freedom Fund'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 GAAS 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 GAAS, 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 Freedom Fund'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 Freedom Fund'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.

### ***Report on Summarized Comparative Information***

We have previously audited The Freedom Fund's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
New York, New York  
April 19, 2022

**THE FREEDOM FUND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
December 31, 2021  
With Comparative Totals for December 31, 2020

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 48,789,418	\$ 11,496,223
Grant advances	211,875	6,621
Government grants receivable	825,846	329,895
Pledges receivable	2,171,675	920,638
Prepaid expenses	225,041	118,969
Total current assets	52,223,855	12,872,346
<b>FIXED ASSETS</b>		
Equipment	381,377	292,913
Accumulated depreciation	(216,977)	(147,205)
Equipment, net	164,400	145,708
<b>OTHER ASSETS</b>		
Deposits	67,703	66,668
<b>Total assets</b>	<b>\$ 52,455,958</b>	<b>\$ 13,084,722</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 789,676	\$ 232,746
Accrued salaries and related benefits	262,962	237,749
Total liabilities	1,052,638	470,495
<b>NET ASSETS</b>		
Without donor restrictions	46,770,842	8,122,248
With donor restrictions	4,632,478	4,491,979
Total net assets	51,403,320	12,614,227
<b>Total liabilities and net assets</b>	<b>\$ 52,455,958</b>	<b>\$ 13,084,722</b>

See accompanying notes.

**THE FREEDOM FUND**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 39,467,739	\$ 9,710,286	\$ 49,178,025	\$ 19,047,107
Government grants	3,482,592	-	3,482,592	1,048,831
Interest and other income	6,286	-	6,286	26,132
Foreign exchange rate gain (loss)	(25,237)	-	(25,237)	43,628
Total support and revenue	42,931,380	9,710,286	52,641,666	20,165,698
<b>EXPENSES</b>				
Program services				
Hotspots	7,972,853	-	7,972,853	11,439,122
Global initiatives	671,562	-	671,562	1,199,498
Movement building	1,677,567	-	1,677,567	1,562,434
Program quality and learning	29,178	-	29,178	10,795
Total program services	10,351,160	-	10,351,160	14,211,849
Supporting activities				
General and administrative	1,766,831	-	1,766,831	898,170
Development and fundraising	1,734,582	-	1,734,582	1,153,552
Total supporting activities	3,501,413	-	3,501,413	2,051,722
Total expenses	13,852,573	-	13,852,573	16,263,571
<b>NET ASSETS RELEASED RESTRICTIONS</b>				
Satisfaction of program restrictions	8,359,687	(8,359,687)	-	-
Expiration of time restrictions	1,210,100	(1,210,100)	-	-
Total net assets released from restrictions	9,569,787	(9,569,787)	-	-
<b>Change in net assets</b>	38,648,594	140,499	38,789,093	3,902,127
Net assets at beginning of year	8,122,248	4,491,979	12,614,227	8,712,100
<b>Net assets at end of year</b>	<u>\$ 46,770,842</u>	<u>\$ 4,632,478</u>	<u>\$ 51,403,320</u>	<u>\$ 12,614,227</u>

See accompanying notes.

**THE FREEDOM FUND**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

	2021						2020	
	Program Services			Supporting Activities				
	Hotspots	Global Initiatives	Movement Building	Program Quality and Learning	General and Administrative	Development and Fundraising	Total Expenses	Total Expenses
Salaries and benefits	\$ 1,635,484	\$ 105,413	\$ 198,656	\$ -	\$ 968,762	\$ 1,389,498	\$ 4,297,813	\$ 3,385,261
Consultancy fees	673,360	-	51,130	-	11,450	61,976	797,916	893,304
Occupancy, utilities, and maintenance	64,266	-	1,899	-	363,464	222	429,851	375,944
Services, supplies, and other	15,899	299	1,768	213	103,117	9,174	130,470	94,034
Grants to others	5,280,568	564,214	1,357,638	-	-	-	7,202,420	10,970,147
Depreciation	9,310	-	-	-	61,737	-	71,047	58,700
Bank fees	-	-	-	-	23,913	-	23,913	41,018
Hotspot management and supplies	150,257	-	56,440	-	-	-	206,697	41,120
Travel and running costs	108,955	726	9,850	3,588	20,928	44,259	188,306	111,786
Advertising and promotion	5,641	522	-	6,528	12,969	229,453	255,113	174,712
Legal fees	4,001	-	-	-	19,751	-	23,752	4,061
Accounting	8,136	-	-	-	83,373	-	91,509	77,042
Professional services	16,976	388	186	18,849	97,367	-	133,766	36,442
<b>Total expenses</b>	<b>\$ 7,972,853</b>	<b>\$ 671,562</b>	<b>\$ 1,677,567</b>	<b>\$ 29,178</b>	<b>\$ 1,766,831</b>	<b>\$ 1,734,582</b>	<b>\$ 13,852,573</b>	<b>\$ 16,263,571</b>

See accompanying notes.

**THE FREEDOM FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2021  
With Comparative Totals for the Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 38,789,093	\$ 3,902,127
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	71,047	58,700
Loss on disposal of equipment	1,865	-
(Increase) decrease in assets		
Grant advances	(205,254)	1,288
Government grants receivable	(495,951)	(219,961)
Pledges receivable	(1,251,037)	(332,486)
Prepaid expenses	(106,072)	(41,794)
Deposits	(1,035)	3,876
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	556,930	(476,490)
Accrued salaries and related benefits	25,213	21,600
Net cash flows from operating activities	<u>37,384,799</u>	<u>2,916,860</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	<u>(91,604)</u>	<u>(51,685)</u>
<b>Change in cash</b>	37,293,195	2,865,175
Cash at beginning of year	<u>11,496,223</u>	<u>8,631,048</u>
<b>Cash at end of year</b>	<u><u>\$ 48,789,418</u></u>	<u><u>\$ 11,496,223</u></u>

See accompanying notes.



**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Freedom Fund is a non-profit organization, incorporated in the State of Pennsylvania in December 2013, with offices in New York and London. The Freedom Fund was conceived in mid-2013 by three founders, Humanity United, Legatum Foundation and the Walk Free Foundation. As the three major private funders in the anti-slavery space at that time, they saw the need for a private donor fund to mobilize greater funding for the sector; drive ambitious research agenda that would identify interventions that could be replicated and scaled; and unify a fragmented field. The Freedom Fund commenced operations in January 2014. The Freedom Fund is the world's first private donor fund dedicated to identifying and investing in the most effective front-line efforts to end slavery. The Freedom Fund's mission is to mobilize the capital and knowledge needed to end slavery.

- The Freedom Fund generates private funding by demonstrating how effective interventions can protect those at risk of being enslaved and free those in slavery.
- The Freedom Fund invests in those countries and sectors with the greatest incidence of slavery.
- The Freedom Fund analyzes which interventions work best and shares that knowledge.
- The Freedom Fund brings together a community of activists committed to ending slavery and empowered by the knowledge of how best to do so.

To carry out its mission, The Freedom Fund:

- **Raises Capital:** The Freedom Fund brings new investors into the anti-slavery space, with the goal of raising at least \$100 million.
- **Works on the Frontlines:** The Freedom Fund sets up geographically defined 'hotspot' projects in the countries with the highest incidence of slavery. The Freedom Fund identifies and invests in frontline, community-based organizations. This is time intensive but is also one of the best ways to achieve sustainable impact.
- **Drives Systematic Change:** The Freedom Fund generates and supports "sector initiatives" which address slavery in specific sectors or on specific issues. The Freedom Fund also works to strengthen and institutionalize the norm against slavery. Slavery is illegal under international law and in every country, but too often governments and businesses ignore their responsibilities.
- **Strengthens the Global Anti-slavery Infrastructure:** The anti-slavery field is fragmented and under-resourced. There is lack of research on what works and what does not. The Freedom Fund's "community-building initiatives" will help build a global community of activists by providing the platform, tools, and knowledge for them to work together more effectively.

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Principles of Consolidation**

The financial statements include the accounts of The Freedom Fund, The Freedom Fund UK, and The Freedom Fund Ethiopia. The Freedom Fund is the sole corporate member of The Freedom Fund UK and The Freedom Fund Ethiopia. All material intra-entity transactions have been eliminated.

**Pledges receivable**

Unconditional pledges receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

**Fixed Assets**

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally four years. The cost of maintenance and repairs is recorded as expenses are incurred.

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**Grants**

The Freedom Fund receives grants from government agencies and others that are conditioned upon The Freedom Fund incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by The Freedom Fund, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. The Organization also provides grants to partners located in various hotspots. Amounts provided in advance of grant expenses incurred are recorded as grant advances and included on the consolidated statements of financial position.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, occupancy, utilities, and maintenance, services, supplies, and other, and travel and running costs which are allocated on the basis of estimates of time and effort.

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Advertising**

The Freedom Fund uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

**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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Tax Status**

The Freedom Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Freedom Fund is not a private foundation.

**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.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with The Freedom Fund's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

**Date of Management's Review**

Management has evaluated subsequent events through April 19, 2022, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

Concentration of Credit Risk

The Freedom Fund maintains cash balances at two different financial institutions located in Rhode Island and at two different financial institutions located in London. Bank deposit accounts in Rhode Island are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 and bank deposit accounts in London by the Financial Services Compensation Scheme (FSCS) up to a limit of £85,000 (approximately \$115,000). At times during the year, The Freedom Fund's cash balances exceed the FDIC insurance amount and the FSCS limit. Management believes the risk in these situations to be minimal.

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

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NOTE 2—CONCENTRATIONS (continued)

Concentration of Revenue

In 2014, the three founders, Humanity United, Legatum Foundation and the Walk Free Foundation, committed to contribute, at a minimum, \$10 million to or on behalf of The Freedom Fund and any party may make an additional financial commitment at any time. The Freedom Fund anticipates that each founder's commitment will be paid at a rate of \$2 million annually over the first five years of The Freedom Fund's existence, depending on the timing of The Freedom Fund's needs, and conditional on satisfactory performance by The Freedom Fund, as reasonably determined each year by each founder against targets agreed on by the Board of Directors.

For the years ended December 31, 2021 and 2020, The Freedom Fund recognized a total of \$5.1 million and \$7.5 million (approximately 10% and 35% of total revenue) of contributions from the three founders. The Freedom Fund has no reason to believe that relationships with these founders will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect The Freedom Fund's ability to finance ongoing operations.

During the year ended December 31, 2021, The Freedom Fund received approximately 65% of its revenue from one donor.

NOTE 3—LEASE COMMITMENTS

The Freedom Fund leases office space in the United Kingdom under a five-year lease that was entered into in November 2018. The lease contains a break clause after 3 years. Base rent is \$224,863 per year, plus a proportionate share of expenses. The Freedom Fund leases office space in New York under a month-to-month lease agreement for \$3,183 per month.

Rent expense for the years ended December 31, 2021 and 2020 was \$267,853 and \$243,296, respectively. Future minimum lease payments for years ending December 31 are as follows:

2022	\$ 224,863
2023	<u>197,140</u>
Total	<u>\$ 422,003</u>

NOTE 4—RETIREMENT PLAN

The Freedom Fund provides retirement benefits to its employees through a defined contribution plan covering all full-time permanent employees. Contributions to the plan during the year ended December 31, 2021 and 2020 totaled \$339,845 and \$240,971, respectively.

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

NOTE 5—NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specified purpose:		
Thailand hotspot	\$ 556,687	\$ 152,045
Southern India hotspot	201,940	-
Central Nepal hotspot	-	137
Research programs	-	140
Movement building and strategic partnerships	529,666	2,093,332
Myanmar hotspot	-	183,833
Bangladesh hotspot	280,682	50,818
Indonesia hotspot	627,080	-
Northern India hotspot	-	15,000
Rajasthan hotspot	1,180,243	2,124
South East Nepal hotspot	722,685	10,000
Ethiopia hotspot	24,660	367,118
Brazil hotspot	199	113,432
Freedom rising	433,636	271,680
COVID-19 emergency response funds	75,000	22,220
Subject to expenditure in subsequent periods	-	1,210,100
Net assets with donor restrictions	\$ 4,632,478	\$ 4,491,979

Net assets with donor restrictions were released during the years ended December 31:

	2021	2020
Thailand hotspot	\$ 151,949	\$ 2,290,527
Southern India hotspot	927,792	1,794,320
Central Nepal hotspot	-	161,888
Prevalence study, Northern India	1,107,211	622,115
Strategic partnerships	1,364,442	1,677,182
Myanmar research	273,000	222,152
Bangladesh hotspot	118,248	103,427
Northern India hotspot	495,533	622,231
Rajasthan hotspot	769,766	1,055,280
Ethiopia hotspot	1,524,296	988,024
Other	317,853	535,427
Freedom rising	463,204	475,851
Brazil hotspot	230,915	104,948
Indonesia hotspot	97,491	-
South East Nepal hotspot	517,987	251,856
Passage of time	1,210,100	500,000
Net assets released from restrictions	\$ 9,569,787	\$ 11,405,228

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

NOTE 6—RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, The Freedom Fund received the amounts from institutions who have representatives on its board, namely:

	<u>2021</u>	<u>2020</u>
Cassiopeia	\$ -	\$ 2,250,000
Children's Investment Fund Foundation	2,458,417	1,303,420
Humanity United	1,519,093	3,030,114
Legatum	1,100,000	1,931,353
Minderoo	2,000,000	2,411,618
Stardust	1,500,000	350,000
Dolby Family Foundation	<u>500,000</u>	<u>250,000</u>
Total	<u>\$ 9,077,510</u>	<u>\$ 11,526,505</u>

At December 31, 2021, amounts due from related parties include \$2,000,000 from Minderoo, which is included in pledges receivable on the consolidated statement of financial position.

At December 31, 2021, amounts due to related parties include \$146,453 to Children's Investment Fund Foundation, which is included in accounts payable and accrued liabilities on the consolidated statement of financial position.

NOTE 7—HOME OFFICE FUNDS

Grant activity from the Home Office, a governmental department located in the United Kingdom, consisted of the following:

	<u>Northern India</u>
Balance, January 1, 2020	\$ -
Resources received	243,854
Resources expended	<u>(243,714)</u>
Balance, December 31, 2020	140
Resources received	307,220
Resources expended	<u>(307,360)</u>
Balance, December 31, 2021	<u>\$ -</u>

NOTE 8—CONDITIONAL GRANTS

The Freedom Fund has several grants that are conditioned upon The Freedom Fund incurring qualifying expenses under the grant programs. At December 31, 2021, these conditional grants total approximately \$5,014,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

**THE FREEDOM FUND**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021  
With Comparative Totals for December 31, 2020

NOTE 9—LIQUIDITY AND AVAILABILITY

The following reflects The Freedom Fund’s financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the consolidated statements of financial position because of donor-imposed or other restrictions.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash	\$ 48,789,418	\$ 11,496,223
Advances receivable	211,875	6,621
Government grants receivable	825,846	329,895
Pledges receivable	2,171,675	920,638
Deposits	<u>67,703</u>	<u>66,668</u>
Total financial assets at year-end	52,066,517	12,820,045
Less those unavailable for general expenditures within one year:		
Donor-restricted with time or purpose restrictions	(4,632,478)	(4,491,979)
Deposits to be received in more than one year	<u>(67,703)</u>	<u>(66,668)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 47,366,336</u>	<u>\$ 8,261,398</u>

The Freedom Fund receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions.

The Freedom Fund considers contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during The Freedom Fund’s fiscal year.

The Freedom Fund manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of The Freedom Fund.

NOTE 10—COVID-19 CONSIDERATIONS

The COVID-19 outbreak has caused disruption for nonprofit organizations and has resulted in significant volatility in the financial markets. The Freedom Fund has had temporary reductions of various program services it provides. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions potential economic impacts. At this time, the potential related financial impact cannot be reasonably estimated.