

THE FREEDOM FUND

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

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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 financial statements of The Freedom Fund, which comprise the consolidated statement of financial position as of December 31, 2022, 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 audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of The Freedom Fund 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.

We did not audit the financial statements of the The Freedom Fund UK and The Freedom Fund Ethiopia, which statements reflect total assets of \$878,875 and \$374,768, respectively, as of December 31, 2022, and total revenues of \$3,918,062 and \$2,606,086, 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 reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of The Freedom Fund UK and The Freedom Fund Ethiopia, 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 Freedom Fund UK and The Freedom Fund Ethiopia, prior to these conversion adjustments, is based solely on the reports 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, The Freedom Fund adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of January 1, 2022. Our opinion is not modified with respect to this matter.

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 2021 financial statements, and, based on our audit and the reports of other auditors, we expressed an unmodified audit opinion on those audited financial statements in our report dated April 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wegner CPAs, LLP
Alexandria, Virginia
April 26, 2023

THE FREEDOM FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2022
With Comparative Totals for December 31, 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 44,533,427	\$ 48,789,418
Grant advances	337,291	211,875
Government grants receivable	1,305,236	825,846
Pledges receivable	13,610	2,171,675
Prepaid expenses	165,957	225,041
Total current assets	46,355,521	52,223,855
FIXED ASSETS		
Equipment	411,800	381,377
Accumulated depreciation	(293,350)	(216,977)
Equipment, net	118,450	164,400
OTHER ASSETS		
Deposits	106,646	67,703
Operating lease right-of-use asset	220,919	-
Total other assets	327,565	67,703
Total assets	\$ 46,801,536	\$ 52,455,958
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,119,167	\$ 789,676
Accrued salaries and related benefits	266,626	262,962
Operating lease liability	220,919	-
Total liabilities	1,606,712	1,052,638
NET ASSETS		
Without donor restrictions	41,463,735	46,770,842
With donor restrictions	3,731,089	4,632,478
Total net assets	45,194,824	51,403,320
Total liabilities and net assets	\$ 46,801,536	\$ 52,455,958

See accompanying notes.

THE FREEDOM FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 4,412,004	\$ 6,613,828	\$ 11,025,832	\$ 49,178,025
Government grants	484,758	4,566,627	5,051,385	3,482,592
Interest and other income	99,928	-	99,928	6,286
Foreign exchange rate gain (loss)	46,061	-	46,061	(25,237)
Total support and revenue	5,042,751	11,180,455	16,223,206	52,641,666
EXPENSES				
Program services				
Hotspots	11,564,336	-	11,564,336	7,972,853
Global initiatives	1,939,686	-	1,939,686	671,562
Movement building	3,518,445	-	3,518,445	1,677,567
Program quality and learning	743,308	-	743,308	29,178
Total program services	17,765,775	-	17,765,775	10,351,160
Supporting activities				
General and administrative	2,748,731	-	2,748,731	1,766,831
Development and fundraising	1,917,196	-	1,917,196	1,734,582
Total supporting activities	4,665,927	-	4,665,927	3,501,413
Total expenses	22,431,702	-	22,431,702	13,852,573
NET ASSETS RELEASED RESTRICTIONS				
Satisfaction of purpose restrictions	12,081,844	(12,081,844)	-	-
Change in net assets	(5,307,107)	(901,389)	(6,208,496)	38,789,093
Net assets at beginning of year	46,770,842	4,632,478	51,403,320	12,614,227
Net assets at end of year	<u>\$ 41,463,735</u>	<u>\$ 3,731,089</u>	<u>\$ 45,194,824</u>	<u>\$ 51,403,320</u>

See accompanying notes.

THE FREEDOM FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022						2021	
	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	\$ 1,955,286	\$ 189,643	\$ 310,189	\$ -	\$ 1,141,370	\$ 1,279,549	\$ 4,876,037	\$ 4,297,813
Consultancy fees	986,418	3,900	103,445	132,173	59,280	39,807	1,325,023	797,916
Occupancy, utilities, and maintenance	64,050	-	651	229	359,229	2,048	426,207	429,851
Services, supplies, and other	44,472	1,225	2,179	1,450	128,736	6,398	184,460	130,470
Grants to others	7,709,925	1,673,366	2,694,431	355,521	-	-	12,433,243	7,202,420
Depreciation	15,542	-	-	-	60,831	-	76,373	71,047
Bank fees	-	-	-	-	29,971	-	29,971	23,913
Partners capacity building and assistance	486,881	64,554	330,057	34,847	649,364	1,275	1,566,978	206,697
Travel and running costs	214,466	6,148	44,132	123,798	46,489	156,317	591,350	188,306
Communication and events	34,515	7	70	91,888	11,896	431,802	570,178	255,113
Legal fees	3,325	-	-	-	29,387	-	32,712	23,752
Accounting	17,741	-	-	-	92,754	-	110,495	91,509
Professional services	31,715	843	33,291	3,402	139,424	-	208,675	133,766
Total expenses	\$ 11,564,336	\$ 1,939,686	\$ 3,518,445	\$ 743,308	\$ 2,748,731	\$ 1,917,196	\$ 22,431,702	\$ 13,852,573

See accompanying notes.

THE FREEDOM FUND
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,208,496)	\$ 38,789,093
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	76,373	71,047
Loss on disposal of equipment	-	1,865
Amortization of operating lease right-of-use asset	290,345	
(Increase) decrease in assets		
Grant advances	(125,416)	(205,254)
Government grants receivable	(479,390)	(495,951)
Pledges receivable	2,158,065	(1,251,037)
Prepaid expenses	59,084	(106,072)
Deposits	(38,943)	(1,035)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	329,491	556,930
Accrued salaries and related benefits	3,664	25,213
Operating lease liability	(290,345)	-
Net cash flows from operating activities	(4,225,568)	37,384,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(30,423)	(91,604)
Change in cash	(4,255,991)	37,293,195
Cash at beginning of year	48,789,418	11,496,223
Cash at end of year	<u>\$ 44,533,427</u>	<u>\$ 48,789,418</u>

See accompanying notes.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

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 seek to end slavery by partnering with government and private agencies to serve those enslaved and formerly enslaved. The Freedom Fund carries out its activities by operating global hotspots, which are areas determined to have a high incidence of modern slavery, global initiatives to influence governments and agencies to end modern slavery, and movement building to strengthen global movement of activists to provide collaboration. The Freedom Fund is supported primarily by contributions from individual and private foundations, and through government grants.

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

Unconditional pledges 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 are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

Fixed Assets

Purchases of fixed assets in excess of \$1,000 are capitalized, while maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line basis.

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 to Others

The Freedom Fund 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 statement of financial position.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Grants

The Freedom Fund receives grants from government agencies that are conditioned upon The Freedom Fund incurring qualifying expenses. Financial awards received and expended are subject to financial and compliance reviews and audits by the United States Department of State or other agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews and audits could result in claims against The Freedom Fund for disallowed costs or noncompliance with the provisions of contracts and grant agreements. No provision has been made for any liabilities that may arise from such reviews and audits since the amount, if any, cannot be presently determined.

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 occupancy, utilities, and maintenance, and depreciation which are allocated on a square footage basis, as well as salaries and benefits, services, supplies, and other, bank fees, travel and running costs, legal fees, and professional services, which are allocated on the basis of estimates of time and effort.

Advertising

The Freedom Fund uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. Advertising expense was \$570,178 and \$255,114 for the years ended December 31, 2022 and 2021, respectively.

Leases

The Freedom Fund does not recognize short-term leases in the consolidated statement of financial position. For these leases, The Freedom Fund recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Freedom Fund also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, The Freedom Fund uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

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.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Freedom Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, The Freedom Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization other than a private foundation under Section 509(a)(2).

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, 2021, from which the summarized information was derived.

Adoption of New Accounting Guidance

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, *Leases*, and creates FASB ASC Topic 842, *Leases*. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the consolidated statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

The Freedom Fund adopted the requirements of Topic 842 as of January 1, 2022, using the optional transition method that allows The Freedom Fund to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The Freedom Fund's reporting for the year ended December 31, 2021, is in accordance with the previous guidance in Topic 840.

The Freedom Fund elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed The Freedom Fund to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 resulted in the recognition of an operating lease right-of-use assets of \$511,264 and an operating lease liability of \$511,264 as of January 1, 2022. The adoption of Topic 842 did not have a material effect on The Freedom Fund's change in net assets or cash flows.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

Management has evaluated subsequent events through April 26, 2023, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

Credit Risk

The Freedom Fund maintains cash balances at two financial institutions located in Rhode Island and at two financial institutions located in London. Accounts at the institutions in Rhode Island are insured by the Federal Deposit Insurance Corporation up to \$250,000 and accounts at the institutions in London are insured by the Financial Services Compensation Scheme (FSCS) up to £85,000 (approximately \$115,000). At December 31, 2022 and 2021, The Freedom Fund’s uninsured cash balances total to approximately \$43,000,000 and \$47,000,000, respectively.

Concentration of Revenue

For the years ended December 31, 2022 and 2021, The Freedom Fund received a total of \$3 million and \$5.1 million, respectively, of contributions (or approximately 17% and 10%, respectively, of total revenue) of contributions from the three founders, respectively. 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.

NOTE 3—LEASES

The Freedom Fund leases office space in the United Kingdom under a five-year operating lease that has a remaining term of 11 months. The lease contains a break clause at the end of the lease term. The Freedom Fund also leases office space in New York under a month-to-month lease.

The components of total lease cost are as follows:

Operating lease cost	\$ 249,086
Short-term lease cost	<u>38,196</u>
Total lease cost	<u><u>\$ 287,282</u></u>

Other information related to operating leases is as follows:

Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	
Right-of-use assets obtained in exchange for new lease liabilities	\$ 511,264
Weighted-average remaining lease term	0.92 years
Weighted-average discount rate	0.78%

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 3—LEASES (continued)

The maturities of lease liability as of December 31, 2022 is as follows:

Year ending December 31:	
2023	\$ 221,637
Imputed interest	<u>(718)</u>
Total lease liability	<u>\$ 220,919</u>

Rent expense for the office space leases for the year ended December 31, 2021 was \$267,853.

NOTE 4—RETIREMENT PLAN

The Freedom Fund sponsors a defined contribution plan covering all full-time permanent employees. Total expense for the years ended December 31, 2022 and 2021 totaled \$363,034 and \$339,845, respectively.

NOTE 5—RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, The Freedom Fund received the following amounts from institutions who have representatives on its board, namely:

	2022	2021
Children's Investment Fund Foundation	\$ -	\$ 2,458,417
Humanity United	2,501,517	1,519,093
Legatum	1,052,000	1,100,000
Minderoo	1,480,711	2,000,000
Stardust	1,500,000	1,500,000
Dolby Family Foundation	<u>500,000</u>	<u>500,000</u>
Total	<u>\$ 7,034,228</u>	<u>\$ 9,077,510</u>

During the year ended December 31, 2022, The Freedom Fund repaid unused grants funds totaling \$649,178 to Children's Investment Fund Foundation.

At December 31, 2021, pledges receivable from related parties include \$2,000,000 from Minderoo.

At December 31, 2021, amounts due to related parties for unused funds include \$146,453 to Children's Investment Fund Foundation.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 6—NET ASSETS

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

	<u>2022</u>	<u>2021</u>
Thailand hotspot	\$ 688,049	\$ 556,687
Southern India hotspot	-	201,940
Movement building and strategic partnerships	1,138,168	529,666
Bangladesh hotspot	289,411	280,682
Indonesia hotspot	361,102	627,080
Rajasthan hotspot	64,217	1,180,243
South East Nepal hotspot	277,255	722,685
Ethiopia hotspot	563,625	24,660
Brazil hotspot	78,482	199
Freedom rising	270,780	433,636
COVID-19 emergency response funds	-	75,000
	<u>\$ 3,731,089</u>	<u>\$ 4,632,478</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time:

	<u>2022</u>	<u>2021</u>
Thailand hotspot	\$ 2,120,155	\$ 151,949
Southern India hotspot	346,060	927,792
South East Nepal hotspot	903,658	517,987
Research	1,420,933	1,107,211
Global initiatives	794,571	1,364,442
Myanmar research	250,000	273,000
Bangladesh hotspot	204,824	118,248
Northern India hotspot	67,341	495,533
Rajasthan hotspot	507,054	769,766
Ethiopia hotspot	3,269,583	1,524,296
Other	753,013	317,853
Freedom rising	672,986	463,204
Brazil hotspot	451,186	230,915
Indonesia hotspot	295,977	97,491
West Africa hotspot	24,503	-
Passage of time	-	1,210,100
	<u>\$ 12,081,844</u>	<u>\$ 9,569,787</u>
Net assets released from restrictions	<u>\$ 12,081,844</u>	<u>\$ 9,569,787</u>

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 7—LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash	\$ 44,533,427	\$ 48,789,418
Grant advances	337,291	211,875
Government grants receivable	1,305,236	825,846
Pledges receivable	13,610	2,171,675
Deposits	<u>106,646</u>	<u>67,703</u>
Total financial assets at year-end	46,296,210	52,066,517
Less those unavailable for general expenditures within one year:		
Donor-restricted with time or purpose restrictions	(3,731,089)	(4,632,478)
Deposits to be received in more than one year	<u>(106,646)</u>	<u>(67,703)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 42,458,475</u>	<u>\$ 47,366,336</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 that 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.

THE FREEDOM FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2022
With Comparative Totals for December 31, 2021

NOTE 8—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, 2021	\$ 140
Resources received	307,220
Resources expended	(307,360)
Balance, December 31, 2021	-
Resources received	169,509
Resources expended	(169,509)
Balance, December 31, 2022	\$ -

NOTE 9—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, 2022, these conditional grants total \$29,891,366. These conditional grants will be recognized as revenue when the respective conditions are met in future years.