

Human Rights Foundation

Financial Statements

December 31, 2021 and 2020

Independent Auditors' Report

Board of Directors
Human Rights Foundation

Opinion

We have audited the accompanying financial statements of the Human Rights Foundation, (the "Foundation") which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Human Rights Foundation as of December 31, 2021 and 2020, 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 Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility 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 Foundation'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 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 judgement 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 the 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 Foundation'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.

PKF O'Connor Davies, LLP

December 19, 2022

Human Rights Foundation

Statements of Financial Position

	December 31	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 9,900,237	\$ 7,832,521
Contributions and grants receivable	5,477,883	480,377
Other receivables	254,789	-
Investments	110,996	-
Prepaid expenses and other assets	311,108	40,259
Digital assets	6,068,894	300,587
Security deposit	76,993	70,493
Property and equipment, net	<u>11,319</u>	<u>2,962</u>
	<u>\$ 22,212,219</u>	<u>\$ 8,727,199</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 208,820	\$ 119,056
Paycheck Protection Program loan payable	260,588	349,449
Deferred rent	<u>58,641</u>	<u>69,550</u>
Total Liabilities	<u>528,049</u>	<u>538,055</u>
Net Assets		
Without donor restrictions	20,165,336	5,854,219
With donor restrictions	<u>1,518,834</u>	<u>2,334,925</u>
Total Net Assets	<u>21,684,170</u>	<u>8,189,144</u>
	<u>\$ 22,212,219</u>	<u>\$ 8,727,199</u>

See notes to financial statements

Human Rights Foundation

Statements of Activities

	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contribution and grants	\$ 16,345,356	\$ 2,777,860	\$ 19,123,216	\$ 7,075,245	\$ 14,152,184	\$ 21,227,429
Film revenue	2,167,553	-	2,167,553	-	-	-
Other income	63,412	-	63,412	12,066	-	12,066
In-kind donations	49,486	-	49,486	-	-	-
Investment return	1,051,818	-	1,051,818	23,979	-	23,979
Net assets released from restrictions	<u>3,593,951</u>	<u>(3,593,951)</u>	<u>-</u>	<u>13,560,103</u>	<u>(13,560,103)</u>	<u>-</u>
Total Revenue	<u>23,271,576</u>	<u>(816,091)</u>	<u>22,455,485</u>	<u>20,671,393</u>	<u>592,081</u>	<u>21,263,474</u>
EXPENSES						
Program services	7,964,253	-	7,964,253	14,382,379	-	14,382,379
Management and general	533,301	-	533,301	501,836	-	501,836
Fundraising	<u>462,905</u>	<u>-</u>	<u>462,905</u>	<u>519,365</u>	<u>-</u>	<u>519,365</u>
Total Expenses	<u>8,960,459</u>	<u>-</u>	<u>8,960,459</u>	<u>15,403,580</u>	<u>-</u>	<u>15,403,580</u>
Change in Net Assets	14,311,117	(816,091)	13,495,026	5,267,813	592,081	5,859,894
NET ASSETS						
Beginning of year	<u>5,854,219</u>	<u>2,334,925</u>	<u>8,189,144</u>	<u>586,406</u>	<u>1,742,844</u>	<u>2,329,250</u>
End of year	<u>\$ 20,165,336</u>	<u>\$ 1,518,834</u>	<u>\$ 21,684,170</u>	<u>\$ 5,854,219</u>	<u>\$ 2,334,925</u>	<u>\$ 8,189,144</u>

See notes to financial statements

Human Rights Foundation

Statement of Functional Expenses Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,440,551	\$ 111,066	\$ 235,465	\$ 1,787,082
Payroll taxes	102,473	26,300	16,750	145,523
Employee benefits	130,930	17,383	21,667	169,980
Total Personnel Expenses	1,673,954	154,749	273,882	2,102,585
Public education	1,834,337	500	11	1,834,848
Humanitarian aid	258,995	-	-	258,995
Grants and awards	2,844,135	-	-	2,844,135
Professional services	786,286	177,432	65,371	1,029,089
General programs	45,466	19,919	8,192	73,577
Rent and utilities	308,256	28,191	52,169	388,616
Office expenses	48,588	25,354	10,954	84,896
Human resources	155	52,578	6,179	58,912
Telephone and internet	28,532	3,750	4,147	36,429
Information technology	48,919	34,691	1,124	84,734
Conference/meetings	2,456	-	5,506	7,962
Postage and delivery	13,132	848	3,721	17,701
Printing	6,655	1,486	21,275	29,416
Insurance	21,894	31,576	-	53,470
Advertising	36,589	135	3,081	39,805
Depreciation	4,358	-	-	4,358
Dues and subscriptions	1,439	1,306	7,293	10,038
Licenses	107	-	-	107
Leased equipment	-	392	-	392
Miscellaneous expense	-	394	-	394
Total Expenses	\$ 7,964,253	\$ 533,301	\$ 462,905	\$ 8,960,459

See notes to financial statements

Human Rights Foundation

Statement of Functional Expenses Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,184,871	\$ 150,425	\$ 291,115	\$ 1,626,411
Payroll taxes	108,300	23,253	22,115	153,668
Employee benefits	86,874	15,669	27,079	129,622
Total Personnel Expenses	1,380,045	189,347	340,309	1,909,701
Public education	10,273,703	-	-	10,273,703
Humanitarian aid	19,113	-	-	19,113
Grants and awards	1,927,833	-	-	1,927,833
Professional services	371,040	156,569	55,538	583,147
General programs	51,155	6,414	19,619	77,188
Rent and utilities	213,560	40,615	53,948	308,123
Office expenses	25,953	6,161	8,086	40,200
Human resources	-	48,305	9,440	57,745
Telephone and internet	26,311	2,984	6,165	35,460
Information technology	29,145	22,916	221	52,282
Conference/meetings	36,144	-	678	36,822
Postage and delivery	9,240	252	3,376	12,868
Printing	11,471	1,125	14,394	26,990
Insurance	2,615	26,319	-	28,934
Advertising	1,226	-	5,132	6,358
Depreciation	1,815	-	-	1,815
Dues and subscriptions	1,816	93	2,459	4,368
Licenses	194	605	-	799
Leased equipment	-	131	-	131
Total Expenses	\$ 14,382,379	\$ 501,836	\$ 519,365	\$ 15,403,580

See notes to financial statements

Human Rights Foundation

Statements of Cash Flows

	Year Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,495,026	\$ 5,859,894
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,358	1,815
Deferred rent	(10,909)	3,601
Unrealized and realized loss (gain) on investments	2,927	(315)
Realized gain on redemption of digital assets	(1,054,714)	(23,082)
Donated stocks	(113,923)	(486,710)
Donated digital assets	(5,782,539)	(373,083)
Changes in operating assets and liabilities		
Contributions and grants receivable	(4,997,506)	749,617
Other receivables	(254,789)	-
Prepaid expenses and other assets	(270,849)	(29,755)
Security deposit	(6,500)	-
Accounts payable and accrued expenses	821,508	17,791
Net Cash From Operating Activities	1,832,090	5,719,773
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,715)	-
Purchase of digital assets	-	(140,515)
Proceeds from sale of digital assets	337,202	-
Proceeds from sale of investments	-	569,617
Net Cash From Investing Activities	324,487	429,102
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Paycheck Protection Program Loan	(88,861)	-
Proceeds from Paycheck Protection Program Loan	-	349,449
Net Cash From Financing Activities	(88,861)	349,449
Net Change in Cash and Cash Equivalents	2,067,716	6,498,324
CASH AND CASH EQUIVALENTS		
Beginning of year	7,832,521	1,334,197
End of year	\$ 9,900,237	\$ 7,832,521
NON-CASH OPERATING ACTIVITIES		
Accounts payable and accrued expenses paid by digital assets	\$ 731,744	\$ 222,215

See notes to financial statements

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

1. Organization and Tax Status

The Human Rights Foundation (the “Foundation”) operates as a voluntary, non-profit, non-stock corporation chartered under the laws of the State of New York. The Foundation's purpose is to promote and protect human rights globally, with a focus on closed societies. The Foundation's mission is to ensure that freedom is both preserved and promoted. The Foundation is exempt from income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires the Foundation's management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers highly liquid instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fair Value Measurements

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation and Investment Income Recognition

Investments are valued at fair value in the statements of financial position. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or at fair value at the date of donation. The Foundation capitalizes expenditures for property and equipment in excess of \$2,500 with useful lives of three years or more. Depreciation is based on the straight-line method over the estimated useful lives of the assets which are generally three to seven years. The cost of maintenance and repairs is expensed as incurred.

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Foundation records impairment losses on long-lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were recognized as of December 31, 2021 and 2020.

Revenue Recognition

Contributions and Grants

Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual accounts. Balances that are still outstanding, after management has used all reasonable collection efforts, are charged to the allowance with a corresponding credit to contributions and grants receivable. Management determined no allowance for doubtful accounts is necessary at December 31, 2021 and 2020.

Contributions and grants are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

In-kind Contributions

Donated services are recognized as contributions at their estimated fair value only if the services create or enhance nonfinancial assets or they require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation if they were not donated. In addition, many volunteers have contributed significant amounts of their time to activities of the Foundation. However, since the above requirements were not met, the value of those contributed services has not been recorded in the financial statements.

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition (continued)

Film Revenue

The Foundation receives revenue from distributors who pay to license and distribute film content. The Foundation recognizes the film revenue when stated deliverables are met. In addition, certain other film revenue is accounted for upon receipt of payments from distributors.

Prepaid Expenses

Prepaid expenses represent amounts paid in advance of their terms at December 31. Such amounts will be recognized as expenses during the subsequent fiscal years.

Net Asset Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation's net assets are classified as with or without donor restrictions. Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors by a specific time period or purpose and may include net assets to be held in perpetuity.

Digital Assets

The Foundation transacts in a variety of digital assets, including but not limited to, bitcoin "BTC", ether ("ETH"), Litecoin ("LTC"), and various other cryptocurrencies in Foundation-controlled wallets with third-party custodians. The Foundation utilizes multiple exchanges to facilitate the best execution of transactions as prices for underlying digital assets may vary across platforms. These are accounted for as intangible assets with indefinite useful lives and are initially measured at cost and recorded in digital assets, in the statements of financial position. Digital assets are reasonably expected to be realized in cash, converted or sold during the normal operating cycle of the business not exceeding 12 months, as a significant component of the Foundation's working capital.

Digital assets are accounted for as indefinite-lived intangible assets in accordance with ASC 350. The Foundation performs an analysis each quarter, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. The Foundation assigns costs to transactions on a FIFO basis.

In determining if an impairment has occurred, the Foundation considers the lowest daily price of a quoted digital asset on the active exchange, since acquiring the specific digital asset held by the Foundation. If the carrying value of a digital asset exceeds the underlier amount quoted at that lowest daily price, an impairment loss has occurred with respect to that digital asset in the amount equal to the difference between its carrying value and such lowest priced underlier amount.

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Digital Assets (continued)

Impairment losses are recognized as digital asset impairment loss in the Foundation's statements of activities in the period in which the impairment is identified. The impaired digital assets are written down to their fair value at the time of impairment and this new cost basis will not be adjusted upward for any subsequent increase in fair value. Gains (if any) are not recorded until realized upon sale, at which point they would be presented net of any impairment losses in the Foundation's statements of activities. In determining the gain to be recognized upon sale, the Foundation calculates the difference between the sales price and carrying value of the specific digital asset sold immediately prior to sale.

Deferred Rent

The Foundation entered into a lease agreement for its office space containing an escalation clause that requires normalization of the rental expense over the life of the lease. The resulting deferred rent is reflected in the accompanying statements of financial position.

Advertising Costs

The Foundation expenses the costs of advertising as incurred. For the years ended December 31, 2021 and 2020, advertising expenses were \$39,805 and \$6,358.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include salaries and benefits, professional fees, travel, office expense and supplies, among others, which are allocated based on estimates of time and effort. Expenses that are readily identifiable to a single program or activity are charged directly to that function, which includes grant expenses.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2018.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, the date of which is December 19, 2022.

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

3. Contributions and Grants Receivable

Unconditional promises to give are included in the financial statements as contributions and grants receivables. Contributions and grants receivables at December 31 are the following:

	<u>2021</u>	<u>2020</u>
One year or less	\$ 5,282,883	\$ 480,377
Two to five years	<u>195,000</u>	<u>-</u>
	<u>\$ 5,477,883</u>	<u>\$ 480,377</u>

Management believes that outstanding contributions will be fully collected and therefore has not provided any allowance for uncollectible amounts.

4. Investments

Investments consist of corporate stocks, are stated at fair value based on quoted prices in active markets (all Level 1 measurements), at December 31, 2021 valued at \$110,996.

5. Digital Assets

During the years ended December 31, 2021 and 2020, the Foundation received \$5,782,539 and \$373,083 of donated digital assets. The Foundation also realized gains of \$1,072,221 and \$27,639 for the years ended December 31, 2021 and 2020. The Foundation also realized losses of \$17,507 for the year ended December 31, 2021. As of December 31, 2021 and 2020, the carrying value of the digital assets held was \$6,068,894 and \$300,587. The fair value of such digital assets held as of December 31, 2021 and 2020, was \$5,130,257 and \$772,241.

6. Property and Equipment

Property and equipment are summarized as follows:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 27,577	\$ 14,862
Computer equipment	15,752	15,752
Less accumulated depreciation	<u>(32,010)</u>	<u>(27,652)</u>
	<u>\$ 11,319</u>	<u>\$ 2,962</u>

Depreciation expense was \$4,358 and \$1,815 for the years ended December 31, 2021 and 2020.

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

7. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2021	2020
OFF expansion	\$ 367,275	\$ 944,354
Venezuela humanitarian aid	-	547,728
Bitcoin development fund	345,282	266,066
Hong Kong desk	177,830	222,455
China Regime Disruption Initiative	101,490	101,490
Afghanistan Humanitarian Aid	88,351	-
Belarus Solidarity Fund	82,446	102,842
Micro grants	-	75,040
Impact litigation	25,000	65,000
Fellowship	22,620	-
Turkey desk	2,600	9,950
Oslo freedom forum	940	-
Time restriction	305,000	-
	\$ 1,518,834	\$ 2,334,925

Net assets with donor restrictions released from restrictions consisted of the following for the years ended December 31:

	2021	2020
Documentary	\$ -	\$ 12,050,000
OFF expansion	638,487	116,753
Venezuela humanitarian aid	547,728	253,000
Bitcoin development fund	734,490	160,735
Hong Kong desk	44,626	127,924
China Regime Disruption Initiative	-	100,669
Afghanistan Humanitarian Aid	228,209	-
Belarus Solidarity Fund	748,752	247,958
Micro grants	75,040	169,960
Impact litigation	40,000	40,000
Fellowship	26,328	71,195
Turkey desk	17,350	50
Oslo freedom forum	492,941	221,859
	\$ 3,593,951	\$ 13,560,103

Human Rights Foundation

Notes to Financial Statements
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8. Paycheck Protection Program (PPP) Loan

On May 4, 2020, the Foundation received loan proceeds in the amount of \$349,449 under the Paycheck Protection Program (the "PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The loan and accrued interest is forgivable after two years as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the forgivable loan period. The unforgiven portion of the PPP loan is payable over two years, at an interest rate of 1% with a deferral of payments for the first six months. The Foundation intends to use the proceeds for purposes consistent with the PPP. The Foundation has reported the PPP loan as debt on its statement of financial position as of December 31, 2020. Management has assessed and concluded that the funds were used in accordance with SBA stipulations and are eligible for receiving full forgiveness from the SBA.

The Foundation made payments of \$88,861 during the year. During the year loan forgiveness was applied for and approved for the entire amount received under the PPP on January 3, 2022.

9. Operating Lease

The Foundation has entered into an operating lease for office space expiring on March 20, 2024. The Foundation signed an additional lease on December 25, 2020, with an expiration date of January 13, 2023. Rent expense under the leases was \$376,053 and \$295,126 for the years ended December 31, 2021 and 2020.

The following is a schedule of future minimum rental payments required under the above operating lease:

2022	\$	390,292
2023		325,037
2024		215,171
	\$	<u>930,500</u>

Human Rights Foundation

Notes to Financial Statements
December 31, 2021 and 2020

10. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of December 31, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations.

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash	\$ 9,900,237	\$ 7,832,521
Contributions and grants receivable	5,477,883	480,377
Other receivables	254,789	-
Investments	110,996	-
Digital assets, net	<u>6,068,894</u>	<u>300,587</u>
Total financial assets	21,812,799	8,613,485
Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	<u>(1,518,834)</u>	<u>(2,334,925)</u>
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$20,293,965</u>	<u>\$ 6,278,560</u>

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as general expenditures, liabilities and other obligations come due. The Foundation's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of grants and contributions from donors. A majority of general expenditures over the next twelve months are financed through cash and cash equivalents and future grants and pledges.

11. Concentration of Credit Risk

At times during the year, the Foundation maintains cash balances at financial institutions in excess of federally insured limits. The Foundation maintains its cash with high quality financial institutions and has not experienced any losses on its cash deposits. The amount in excess of the FDIC limit was approximately \$9,644,000 and \$7,836,000 at December 31, 2021 and 2020. One organization accounted 17% of the Foundation's total contributions and grants receivable at December 31, 2020. Two donor contributions accounted for approximately 40% of total revenue and support for the year ended December 31, 2021. Nine donor contributions accounted for approximately 71% of total revenue and support for the year ended December 31, 2020.

Human Rights Foundation

Notes to Financial Statements
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12. Subsequent Events

Decline in Value of Digital Assets

Volatility in the financial markets has had an impact on the global economy and digital asset values. Due to the level of risk associated with certain digital assets and the level of uncertainty related to changes in the value of such assets, it is reasonably possible that digital assets values will change in subsequent periods. As of December 19, 2022, the value of the Foundations digital assets declined by approximately \$4.3 million. Such amounts will be considered in management's impairment analysis for the year ending December 31, 2022.

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