



FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FLORA FAMILY FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Flora Family Foundation

Opinion

We have audited the financial statements of Flora Family Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Flora Family Foundation as of December 31, 2021 and 2020, and the results of its operations 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 ("U.S. GAAS"). 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 Flora Family Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Flora Family 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 U.S. 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with U.S. 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 Flora Family Foundation'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 Flora Family 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 audits.

Marcum LLP

San Francisco, California
November 7, 2022

FLORA FAMILY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 9,912,055	\$ 4,141,125
Investment proceeds receivable	--	1,264,913
Other receivables	8,500	--
Excise tax receivable	118,995	61,329
Investments	122,241,720	117,392,369
Total Assets	\$ 132,281,270	\$ 122,859,736
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 107,883	\$ 63,288
Grants payable	1,914,500	911,250
Deferred excise tax	412,158	297,067
Total Liabilities	2,434,541	1,271,605
Net Assets Without Donor Restrictions	129,846,729	121,588,131
Total Liabilities and Net Assets	\$ 132,281,270	\$ 122,859,736

The accompanying notes are an integral part of these financial statements.

FLORA FAMILY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Net Investment Income		
Net realized and unrealized gain on investments	\$ 13,681,958	\$ 10,592,154
Interest and dividends, net	<u>1,719,343</u>	<u>1,230,524</u>
Net Investment Income	<u>15,401,301</u>	<u>11,822,678</u>
Expenses		
Program services	6,631,787	4,314,180
Management and general	<u>288,491</u>	<u>279,391</u>
Total Expenses	<u>6,920,278</u>	<u>4,593,571</u>
Change in Net Assets Before Federal Excise Tax Expense		
Tax Expense	8,481,023	7,229,107
Federal Excise Tax Expense	<u>222,425</u>	<u>224,100</u>
Change in Net Assets	8,258,598	7,005,007
Net Assets Without Donor Restrictions - Beginning	<u>121,588,131</u>	<u>114,583,124</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 129,846,729</u>	<u>\$ 121,588,131</u>

The accompanying notes are an integral part of these financial statements.

FLORA FAMILY FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Grants awarded	\$ 6,044,131	\$ --	\$ 6,044,131	\$ 3,773,934	\$ --	\$ 3,773,934
Salaries and related benefits	456,358	228,179	684,537	447,730	223,865	671,595
Professional services	105,214	45,092	150,306	65,822	46,142	111,964
Travel, meals, and entertainment	1,260	140	1,400	6,515	724	7,239
Occupancy	15,120	1,680	16,800	15,120	1,680	16,800
All others	9,704	13,400	23,104	5,059	6,980	12,039
Total Expenses	<u>\$ 6,631,787</u>	<u>\$ 288,491</u>	<u>\$ 6,920,278</u>	<u>\$ 4,314,180</u>	<u>\$ 279,391</u>	<u>\$ 4,593,571</u>

The accompanying notes are an integral part of these financial statements.

FLORA FAMILY FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 8,258,598	\$ 7,005,007
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(13,681,958)	(10,592,154)
Changes in operating assets and liabilities:		
Investment proceeds receivable	1,264,913	--
Other receivables	(8,500)	--
Prepaid expenses	--	9,987
Excise tax receivable	(57,666)	25,619
Accounts payable and accrued expenses	44,595	17,216
Grants payable	1,003,250	(1,224,750)
Deferred excise taxes	<u>115,091</u>	<u>157,067</u>
Net Cash Used in Operating Activities	<u>(3,061,677)</u>	<u>(4,602,008)</u>
Cash Flows From Investing Activities		
Purchase of investments	(8,726,647)	(10,650,668)
Proceeds from sale or maturity of investments	<u>17,559,254</u>	<u>13,883,923</u>
Net Cash Provided by Investing Activities	<u>8,832,607</u>	<u>3,233,255</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,770,930	(1,368,753)
Cash and Cash Equivalents - Beginning	<u>4,141,125</u>	<u>5,509,878</u>
Cash and Cash Equivalents - Ending	<u>\$ 9,912,055</u>	<u>\$ 4,141,125</u>
Supplemental Cash Flow Disclosure		
Federal excise taxes paid	<u>\$ 109,649</u>	<u>\$ 98,370</u>

The accompanying notes are an integral part of these financial statements.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE AND ORGANIZATION

The Flora Family Foundation (the “Foundation”) was established in December 1998 by William R. Hewlett with the “Statement of Purpose” to promote the well-being of people everywhere by supporting selected activities of charitable organizations and institutions as determined by members of the Board of Directors and the Family Council, with a belief that each individual has an obligation to go beyond one’s personal interests and be mindful of the broader concerns of humanity.

The Foundation has no geographic or subject area constraints upon awarding grants as long as they are consistent with the philanthropic interests of the Board of Directors and the Family Council and comply with the requirements of the Internal Revenue Service.

BASIS OF ACCOUNTING

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which involves the application of the accrual method of accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred, regardless of timing of cash flows.

CLASSIFICATION OF NET ASSETS

U. S. GAAP requires that the Foundation report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restrictions.

Accordingly, the net assets of the Foundation are classified and reported as described below:

Without Donor Restrictions

Those net assets and activities, which represent the portion of expendable funds that are available to support the Foundation’s operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CLASSIFICATION OF NET ASSETS (CONTINUED)

With Donor Restrictions

Net assets representing funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be expendable in nature in that they will be met by actions of the Foundation or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. There were no net assets with donor restrictions as of December 31, 2021 and 2020 and for the years then ended.

ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 most significant estimates involve the valuation of non-marketable securities.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

INVESTMENTS

Investments traded on national exchanges are recorded at fair value as determined by the exchanges' quoted prices; unrealized gains (losses) are included in the statements of activities and changes in net assets.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS (CONTINUED)

The Foundation also has investments in limited companies, limited liability companies, and limited partnerships (Notes 2 and 3) which are valued at their estimated fair value as reported to the Foundation by the general partners of the limited partnerships and investment managers under the supervision of the respective funds' Boards or Managers of those entities. Because these investments are not readily marketable, the estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. The estimated fair values are reviewed and evaluated by the Foundation and the Foundation's Investment Committee, which is responsible for establishing investment criteria and overseeing the Foundation's investments.

REVENUE RECOGNITION

Revenue is recognized in the period in which it is earned. The Foundation derives its revenue from the interest and dividends earned from its investments and from the change in fair value of its investments. Realized and unrealized gains (losses) and investment income (losses) derived from investment transactions are included as income (loss) in the year earned.

GRANT AWARDS

All grants are subject to the Foundation's Conflict of Interest Policy stated in Note 5. Unconditional grant awards of \$25,000 or more are recognized when approved by the Board of Directors. Unconditional grant awards under \$25,000 are recognized when approved by the President of the Foundation, except where Board approval is required due to the Foundation's Conflict of Interest Policy.

ACCRUED ANNUAL LEAVE

The Foundation's employees may accumulate up to 20 hours per month of leave time and are entitled to payment of any unused time up to 480 hours upon separation from employment.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Foundation is a qualified organization exempt from federal income and state franchise taxes under §501(c)(3) of the Internal Revenue Code (“IRC”) and §23701d of the California Revenue and Taxation Code. The Foundation also qualifies as a private foundation under §509(a) of the IRC. For tax years beginning after December 20, 2019, the federal excise tax on net investment income for private foundations is a flat 1.39%.

Federal excise tax expense includes taxes currently payable and those deferred because of temporary differences between the estimated future tax effects of financial statement carrying amounts and the tax bases of existing assets and liabilities.

U.S. GAAP requires management to evaluate the tax positions taken and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more-likely-than-not would not be sustained upon examination by taxing authorities. Management evaluated the Foundation’s tax positions and concluded that it maintained its tax-exempt status and had taken no uncertain tax positions that would require adjustment to the financial statements. Therefore, no provision or liability for unknown income taxes has been included in the financial statements. The Foundation’s tax returns are subject to examination by federal and state taxing authorities. However, there are no examinations in progress nor are there any pending.

CONCENTRATIONS OF RISK

Financial Instruments

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments.

Cash and Cash Equivalents

The Foundation maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Foundation is exposed to credit risk in the event of default by its primary banking institution to the extent amounts exceed FDIC insured amounts. The Foundation has not experienced any losses in such accounts.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONCENTRATIONS OF RISK (CONTINUED)

Investments

The Foundation invests in various investments that are not covered by federal insurance. These investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Foundation's balances and the amounts reported in the statements of financial position. The Foundation's Investment Committee attempts to minimize its exposure to these risks by closely monitoring all investments in accordance with the Foundation's policies.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing program services and management and general services have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among program services and management and general services based on an allocation of time and effort.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. ASU 2016-02 will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date the following: a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. This ASU's effective date had two one-year delays and is now effective for fiscal years beginning after December 15, 2021. Early application is permitted. Management is evaluating the impact of this guidance.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard's main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. The standard is effective for fiscal years beginning after December 31, 2022. Early adoption is permitted. Management is evaluating the impact of this new guidance and believes it will not have a material impact.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

On September 17, 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 provides guidance concerning presentation and disclosure for contributed nonfinancial assets for nonprofit organizations, including additional presentation and disclosure rules for recognized contributed services. It does not change the recognition and measurement requirements for contributed nonfinancial assets.

This ASU requires the nonprofit organization to present donated nonfinancial assets separately in the statement of activities and changes in net assets from contributions of cash or other financial assets. The additional disclosure rules require disclosure of nonfinancial assets by category and for each category the disclosure is required to include the following:

- Qualitative information about whether contributed nonfinancial assets were either monetized or used during the reporting period. If used, a description of the programs or other activities in which those assets were used;
- The nonprofit organization's policy (if any) for monetizing rather than using contributed nonfinancial assets;
- A description of any associated donor-imposed restrictions;
- A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition;
- The principal market (or most advantageous market) used to arrive at a fair value measurement if it is a market in which the recipient nonprofit is prohibited by donor-imposed restrictions from selling or using the contributed nonfinancial asset.

The guidance should be applied on a retrospective basis, and is applicable for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. Management is evaluating the impact of this new guidance.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS

The Foundation's financial assets and liabilities carried at fair value are classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement.

The levels of the fair value hierarchy are as follows:

Level 1

Inputs are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Fixed Income and Global Equity Mutual Fund Investments

These investments are valued at the closing price reported on the active market on which the individual securities are traded. Such securities are generally classified within Level 1 of the valuation hierarchy.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Alternative Investments

Alternative investments consist of investments in various funds. The funds' underlying investments are aggregated into distressed credit, global equities, private credit, private equities, real asset funds, and absolute return funds. The fair value of such investments is determined using the net asset value ("NAV") per share as a practical expedient. NAV is reported by the general partners of the limited partnerships and the investment managers under the supervision of the respective funds' Boards of Managers of those limited liability companies. These investments are not categorized in the fair value hierarchy.

The following tables provide information as of December 31, 2021 and 2020, about the Foundation's financial assets measured at fair value on a recurring basis:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Fixed income funds	\$ 10,303,097	\$ --	\$ --	\$ 10,303,097
Global equity	25,389,634	--	--	25,389,634
Total Assets in the Fair Value Hierarchy	\$ 35,692,731	\$ --	\$ --	35,692,731
Investments measured at NAV*				86,548,989
Total Investments at Fair Value				\$ 122,241,720

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Fixed income funds	\$ 13,026,463	\$ --	\$ --	\$ 13,026,463
Global equity	19,894,886	--	--	19,894,886
Total Assets in the Fair Value Hierarchy	\$ 32,921,349	\$ --	\$ --	32,921,349
Investments measured at NAV*				84,471,020
Total Investments at Fair Value				\$ 117,392,369

*Certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line item amounts presented in the statements of financial position.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth additional disclosures of the Foundation's investments whose fair value is estimated using NAV per share or ownership percentage as of December 31, 2021:

Description	December 31, 2021			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Distressed credit:				
Commonfund Global Distressed				
Investors, L.L.C.	\$ 102,068	\$ 305,200	N/A	N/A
CVI Clean Energy Fund C, L.P.	380,353	339,925	N/A	N/A
Davidson Kempner Distressed				
Opportunities International, Ltd.	8,454,991	--	N/A	N/A
Farallon Capital Institutional Partners, L.P.	8,910,095	--	N/A	N/A
Lone Star Fund V (U.S.), L.P.	76,441	--	N/A	N/A
Lone Star Fund VI (U.S.), L.P.	99,131	--	N/A	N/A
Lone Star Fund X (U.S.), L.P.	1,125,195	217,341	N/A	N/A
Lone Star U.S. Investments, L.P.	14,496	--	N/A	N/A
Pimco Distressed Senior Credit				
Opportunities Fund II Offshore Feeder, L.P.	2,889,179	--	N/A	N/A
Torchlight Value Fund, Inc.	15,587	--	N/A	N/A
	<u>22,067,536</u>	<u>862,466</u>		
Global equity:				
Serenity Capital, L.L.C.	2,806,266	--	N/A	N/A
The Children's Investment Fund	28,231,562	--	Tri-annually	120 days
	<u>31,037,828</u>	<u>--</u>		
Private credit:				
Barak Impact Finance Segregated Portfolio	665,972	--	N/A	N/A
CIM Enterprise Loan Fund	645,981	--	N/A	N/A
Colchis P2P Income Fund, Ltd.	109,181	--	N/A	N/A
	<u>1,421,134</u>	<u>--</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	December 31, 2021			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity:				
ADM Galleus Fund III, L.P.	\$ 236,645	\$ 250,957	N/A	N/A
Allied Inventors Fund, L.L.C.	97,792	--	N/A	N/A
Axiom Asia Private Capital Fund I, L.P.	110,563	118,965	N/A	N/A
Axiom Asia Private Capital Fund II, L.P.	503,571	99,855	N/A	N/A
Blue Bear Capital Partners II	212,565	541,665	N/A	N/A
Bridges Sustainable Growth Fund IV, L.P.	318,384	--	N/A	N/A
Clean Growth Fund III, L.P.	161,118	70,000	N/A	N/A
Commonfund:				
Capital Private Equity Partners VI, L.P.	426,200	217,250	N/A	N/A
Capital Private Equity Partners VII, L.P.	1,210,426	181,250	N/A	N/A
Capital Private Equity Partners VIII, L.P.	432,130	66,250	N/A	N/A
Capital International Partners V, L.P.	488,836	125,750	N/A	N/A
Capital International Partners VI, L.P.	296,503	129,000	N/A	N/A
Capital International Partners VII, L.P.	327,031	40,750	N/A	N/A
Capital U.S. Private Equity Partners X, L.P.	880,267	402,500	N/A	N/A
Capital Venture Partners VII, L.P.	717,238	25,000	N/A	N/A
Capital Venture Partners VIII, L.P.	679,850	30,000	N/A	N/A
Capital Venture Partners IX, L.P.	1,098,019	15,000	N/A	N/A
Elevar Equity III, L.P.	910,966	10,500	N/A	N/A
En-Cap Energy Transition Fund I-B, L.P.	196,075	222,123	N/A	N/A
En-Cap Transition Fund Co-Investment I-B, L.P.	70,857	78,009	N/A	N/A
G2VP I, L.P.	310,893	22,500	N/A	N/A
IIF Financial Investor Fund II, L.L.C.	120,436	154,650	N/A	N/A
JAZZ Human Performance III, L.P.	288,421	311,250	N/A	N/A
Legacy Venture IV, L.L.C.	2,009,914	--	N/A	N/A
Legacy Venture V (QP), L.L.C.	1,477,487	--	N/A	N/A
Legacy Venture VIII, L.L.C.	2,423,426	70,000	N/A	N/A
New Energy Capital, L.P.	173,310	29,817	N/A	N/A
New Energy Capital II, L.P.	164,592	183,055	N/A	N/A
Reach Opportunity I, L.P.	380,931	365,250	N/A	N/A
Rethink Education II, L.P.	263,859	14,648	N/A	N/A
Rethink Education III, L.P.	337,987	167,762	N/A	N/A
SJF Ventures IV, L.P.	410,835	19,250	N/A	N/A
SJF Ventures V, L.P.	77,097	410,000	N/A	N/A
TPG Alternative and Renewable				
Technologies Partners, L.P.	260,026	--	N/A	N/A
TriLinc Global Sustainable Income Fund, L.L.C.	339,855	--	N/A	N/A
	<u>18,414,105</u>	<u>4,373,006</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	December 31, 2021			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real asset funds:				
Alliance Fund II, L.P.	\$ 202,963	\$ --	N/A	N/A
Commonfund:				
Capital Natural Resources Partners VI, L.P.	52,825	30,000	N/A	N/A
Capital Natural Resources Partners VII, L.P.	311,050	19,441	N/A	N/A
Capital Natural Resources Partners VIII, L.P.	204,709	8,982	N/A	N/A
Capital Natural Resources Partners IX, L.P.	416,546	45,170	N/A	N/A
Capital Natural Resources Partners X, L.P.	803,233	156,000	N/A	N/A
Global Energy Efficiency and Renewable				
Energy Fund	329,315	18,725	N/A	N/A
KEP II Investors, L.P.	1,436,898	998,067	N/A	N/A
Lone Star Real Estate Fund (U.S.), L.P.	16,949	--	N/A	N/A
Meadowlark Lands I, L.P./Clear Frontier	144,007	173,473	N/A	N/A
Merit Energy Partners F-II, L.P.	176,999	--	N/A	N/A
Metropolitan Real Estate Partners:				
IV-B, L.P.	157,198	41,250	N/A	N/A
VII, L.P.	64,397	35,734	N/A	N/A
IX, L.P.	220,850	4	N/A	N/A
Global I, L.L.C.	101,319	161,886	N/A	N/A
Global II, L.P.	131,699	171,831	N/A	N/A
Global III, L.P.	64,430	43,774	N/A	N/A
Global V, L.P.	156,205	24,536	N/A	N/A
Rose Affordable Housing Preservation				
Fund V REIT, L.P.	249,024	245,000	N/A	N/A
SAF Investor, L.P.	140,766	--	N/A	N/A
SAF Investor II, L.P.	151,771	133,777	N/A	N/A
SAF Partners III, L.P.	36,672	556,786	N/A	N/A
TCI Real Estate Partners II, L.P.	1,689,669	237,277	N/A	N/A
TCI Real Estate Partners III, L.P.	266,617	567,108	N/A	N/A
The Lyme Forest Fund IV TE, L.P.	299,128	--	N/A	N/A
	<u>7,825,239</u>	<u>3,668,821</u>		
Absolute return:				
Bracebridge Capital - BIL Ltd. - Class Y	<u>5,783,147</u>	<u>--</u>	N/A	N/A
Total	<u>\$ 86,548,989</u>	<u>\$ 8,904,293</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth additional disclosures of the Foundation's investments whose fair value is estimated using NAV per share or ownership percentage as of December 31, 2020:

Description	December 31, 2020		Redemption Frequency	Redemption Notice Period
	Total Fair Value	Unfunded Commitments		
Distressed credit:				
Commonfund Global				
Distressed Investors, L.L.C.	\$ 131,631	\$ 305,200	N/A	N/A
Davidson Kempner Distressed				
Opportunities International, Ltd.	7,366,822	--	N/A	N/A
Farallon Capital Institutional Partners, L.P.	8,481,242	--	N/A	N/A
Pimco Distressed Senior Credit				
Opportunities Fund II Offshore Feeder, L.P.	3,195,217	--	N/A	N/A
Lone Star Fund V (U.S.), L.P.	529,945	--	N/A	N/A
Lone Star Fund VI (U.S.), L.P.	252,514	399,571	N/A	N/A
Lone Star Fund X (U.S.), L.P.	1,831,695	293,113	N/A	N/A
Lone Star U.S. Investments, L.P.	102,655	--	N/A	N/A
Torchlight Value Fund, Inc.	<u>2,418,294</u>	<u>--</u>	N/A	N/A
	<u>24,310,015</u>	<u>997,884</u>		
Global equity:				
Serenity Capital, L.L.C.	3,817,842	--	N/A	N/A
The Children's Investment Fund	<u>23,111,582</u>	<u>--</u>	Tri-annually	120 days
	<u>26,929,424</u>	<u>--</u>		
Private credit:				
Barak Impact Finance Segregated Portfolio	717,050	--	N/A	N/A
CIM Enterprise Loan Fund	594,755	--	N/A	N/A
Colchis P2P Income Fund, Ltd.	<u>313,810</u>	<u>--</u>	N/A	N/A
	<u>1,625,615</u>	<u>--</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	December 31, 2020		Redemption Frequency	Redemption Notice Period
	Total Fair Value	Unfunded Commitments		
Private equity:				
ADM Galleus Fund III, L.P.	\$ 44,370	\$ 450,627	N/A	N/A
Allied Inventors Fund, L.L.C.	139,278	--	N/A	N/A
Axiom Asia Private Capital Fund I, L.P.	168,733	118,965	N/A	N/A
Axiom Asia Private Capital Fund II, L.P.	602,187	99,855	N/A	N/A
Bridges Sustainable Growth Fund IV, L.P.	152,789	36,284	N/A	N/A
Clean Growth Fund III, L.P.	227,157	70,000	N/A	N/A
Commonfund:				
Capital Private Equity Partners VI, L.P.	762,325	217,250	N/A	N/A
Capital Private Equity Partners VII, L.P.	1,311,769	187,500	N/A	N/A
Capital Private Equity Partners VIII, L.P.	462,178	66,250	N/A	N/A
Capital International Partners V, L.P.	662,609	125,750	N/A	N/A
Capital International Partners VI, L.P.	387,020	129,000	N/A	N/A
Capital International Partners VII, L.P.	379,835	44,500	N/A	N/A
Capital U.S. Private Equity Partners X, L.P.	587,769	596,000	N/A	N/A
Capital Venture Partners VII, L.P.	774,852	25,000	N/A	N/A
Capital Venture Partners VIII, L.P.	841,281	30,000	N/A	N/A
Capital Venture Partners IX, L.P.	1,069,811	16,250	N/A	N/A
Elevar Equity III, L.P.	428,190	12,500	N/A	N/A
G2VP I, L.P.	368,949	80,000	N/A	N/A
IIF Financial Investor Fund II, L.L.C.	190,230	154,650	N/A	N/A
Legacy Venture IV, L.L.C.	2,797,467	--	N/A	N/A
Legacy Venture V (QP), L.L.C.	2,221,211	--	N/A	N/A
Legacy Venture VIII, L.L.C.	1,349,667	170,000	N/A	N/A
New Energy Capital, L.P.	253,814	44,360	N/A	N/A
New Energy Capital II, L.P.	70,235	290,386	N/A	N/A
Rethink Education II, L.P.	258,343	18,104	N/A	N/A
Rethink Education III, L.P.	159,202	256,477	N/A	N/A
SJF Ventures IV, L.P.	370,519	115,500	N/A	N/A
SJF Ventures V, L.P.	47,979	450,000	N/A	N/A
TPG Alternative and Renewable Technologies Partners, L.P.	189,610	285	N/A	N/A
TriLinc Global Sustainable Income Fund, L.L.C.	354,429	--	N/A	N/A
	<u>17,633,808</u>	<u>3,805,493</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	December 31, 2020			
	Total Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real asset funds:				
Alliance Fund II, L.P.	\$ 213,024	\$ --	N/A	N/A
Commonfund:				
Capital Natural Resources Partners VI, L.P.	90,192	30,000	N/A	N/A
Capital Natural Resources Partners VII, L.P.	303,227	19,441	N/A	N/A
Capital Natural Resources Partners VIII, L.P.	161,727	14,482	N/A	N/A
Capital Natural Resources Partners IX, L.P.	339,892	51,420	N/A	N/A
Capital Natural Resources Partners X, L.P.	635,451	233,500	N/A	N/A
Global Energy Efficiency and Renewable				
Energy Fund	363,091	18,725	N/A	N/A
KEP II Investors, L.P.	1,436,186	938,294	N/A	N/A
Lone Star Real Estate Fund (U.S.), L.P.	76,237	171,223	N/A	N/A
Merit Energy Partners F-II, L.P.	198,984	--	N/A	N/A
Metropolitan Real Estate Partners:				
IV-B, L.P.	172,558	41,250	N/A	N/A
VII, L.P.	61,721	35,734	N/A	N/A
IX, L.P.	236,802	--	N/A	N/A
Global I, L.L.C.	149,417	161,886	N/A	N/A
Global II, L.P.	185,767	171,831	N/A	N/A
Global III, L.P.	59,768	43,774	N/A	N/A
Global V, L.P.	162,013	24,536	N/A	N/A
Rose Affordable Housing Preservation				
Fund V REIT, L.P.	79,606	400,000	N/A	N/A
SAF Investor, L.P.	305,421	1,881	N/A	N/A
SAF Investor II, L.P.	126,674	125,754	N/A	N/A
TCI Real Estate Partners II, L.P.	2,466,796	404,216	N/A	N/A
TCI Real Estate Partners III, L.P.	407,739	1,640,454	N/A	N/A
The Lyme Forest Fund IV TE, L.P.	243,374	--	N/A	N/A
	<u>8,475,667</u>	<u>4,528,401</u>		
Absolute return:				
Bracebridge Capital - BIL Ltd. - Class Y	5,496,491	--	N/A	N/A
Total	<u>\$ 84,471,020</u>	<u>\$ 9,331,778</u>		

N/A - Not applicable, these funds are in private organizations with no redemption eligibility.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 - INVESTMENTS

Investments consist of the following at December 31:

	2021	2020
Distressed credit:		
Commonfund Global Distressed Investors, L.L.C.	\$ 102,068	\$ 131,631
CVI Clean Energy Fund C, L.P.	380,353	--
Davidson Kempner Distressed Opportunities International, Ltd.	8,454,991	7,366,822
Farallon Capital Institutional Partners, L.P.	8,910,095	8,481,242
Lone Star Fund V (U.S.), L.P.	76,441	529,945
Lone Star Fund VI (U.S.), L.P.	99,131	252,514
Lone Star Fund X (U.S.), L.P.	1,125,195	1,831,695
Lone Star U.S. Investments, L.P.	14,496	102,655
Pimco Distressed Senior Credit		
Opportunitis Fund II Offshore Feeder, L.P.	2,889,179	3,195,217
Torchlight Value Fund, Inc.	15,587	2,418,294
	<u>22,067,536</u>	<u>24,310,015</u>
Global equity:		
Aperio	403,513	2,297,703
Fidelity 500 Index Fund	5,055,039	--
Frontier MFG Global Equity Fund	19,931,082	17,597,183
Serenity Capital, L.L.C.	2,806,266	3,817,842
The Children's Investment Fund	28,231,562	23,111,582
	<u>56,427,462</u>	<u>46,824,310</u>
Private credit:		
Barak Impact Finance Segregated Portfolio	665,972	717,050
CIM Enterprise Loan Fund	645,981	594,755
Colchis P2P Income Fund, Ltd.	109,181	313,810
	<u>1,421,134</u>	<u>1,625,615</u>
Fixed income:		
Pimco Dynamic Credit & Mortgage	1,036,498	1,036,128
Pimco Income Fund	8,625,387	11,342,466
TIAA-CREF Social Choice Bond Fund	641,212	647,869
	<u>10,303,097</u>	<u>13,026,463</u>

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 - INVESTMENTS (CONTINUED)

	2021	2020
Private equity:		
ADM Galleus Fund III, L.P.	\$ 236,645	\$ 44,370
Allied Inventors Fund, L.L.C.	97,792	139,278
Axiom Asia Private Capital Fund I, L.P.	110,563	168,733
Axiom Asia Private Capital Fund II, L.P.	503,571	602,187
Blue Bear Capital Partners II	212,565	--
Bridges Sustainable Growth Fund IV, L.P.	318,384	152,789
Clean Growth Fund III, L.P.	161,118	227,157
Commonfund Capital Private Equity Partners VI, L.P.	426,200	762,325
Commonfund Capital Private Equity Partners VII, L.P.	1,210,426	1,311,769
Commonfund Capital Private Equity Partners VIII, L.P.	432,130	462,178
Commonfund Capital International Partners V, L.P.	488,836	662,609
Commonfund Capital International Partners VI, L.P.	296,503	387,020
Commonfund Capital International Partners VII, L.P.	327,031	379,835
Commonfund Capital U.S. Private Equity Partners X, L.P.	880,267	587,769
Commonfund Capital Venture Partners VII, L.P.	717,238	774,852
Commonfund Capital Venture Partners VIII, L.P.	679,850	841,281
Commonfund Capital Venture Partners IX, L.P.	1,098,019	1,069,811
Elevar Equity III, L.P.	910,966	428,190
En-Cap Energy Transition Fund I-B, L.P.	196,075	--
En-Cap Transition Fund Co-Investment I-B, L.P.	70,857	--
G2VP I, L.P.	310,893	368,949
IIF Financial Investor Fund II, L.L.C.	120,436	190,230
JAZZ Human Performance III, L.P.	288,421	--
Legacy Venture IV, L.L.C.	2,009,914	2,797,467
Legacy Venture V(QP), L.L.C.	1,477,487	2,221,211
Legacy Venture VIII, L.L.C.	2,423,426	1,349,667
New Energy Capital, L.P.	173,310	253,814
New Energy Capital II, L.P.	164,592	70,235
Reach Opportunity I, L.P.	380,931	--
Rethink Education II, L.P.	263,859	258,343
Rethink Education III, L.P.	337,987	159,202
SJF Ventures IV, L.P.	410,835	370,519
SJF Ventures V, L.P.	77,097	47,979
TPG Alternative and Renewable Technologies Partners, L.P.	260,026	189,610
TriLinc Global Sustainable Income Fund, L.L.C.	339,855	354,429
	<u>18,414,105</u>	<u>17,633,808</u>

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 - INVESTMENTS (CONTINUED)

	2021	2020
Real asset funds:		
Alliance Fund II, L.P.	\$ 202,963	\$ 213,024
Commonfund Capital Natural Resource Partners VI, L.P.	52,825	90,192
Commonfund Capital Natural Resource Partners VII, L.P.	311,050	303,227
Commonfund Capital Natural Resource Partners VIII, L.P.	204,709	161,727
Commonfund Capital Natural Resource Partners IX, L.P.	416,546	339,892
Commonfund Capital Natural Resource Partners X, L.P.	803,233	635,451
Global Energy Efficiency and Renewable Energy Fund	329,315	363,091
KEP II Investors, L.P.	1,436,898	1,436,186
Lone Star Real Estate Fund (U.S.), L.P.	16,949	76,237
Meadowlark Lands I, L.P./Clear Frontier	144,007	--
Merit Energy Partners F-II, L.P.	176,999	198,984
Metropolitan Real Estate Partners IV-B, L.P.	157,198	172,558
Metropolitan Real Estate Partners VII, L.P.	64,397	61,721
Metropolitan Real Estate Partners IX, L.P.	220,850	236,802
Metropolitan Real Estate Partners Global I, L.L.C.	101,319	149,417
Metropolitan Real Estate Partners Global II, L.P.	131,699	185,767
Metropolitan Real Estate Partners Global III, L.P.	64,430	59,768
Metropolitan Real Estate Partners Global V, L.P.	156,205	162,013
Rose Affordable Housing Preservation		
Fund V REIT, L.P.	249,024	79,606
SAF Investor, L.P.	140,766	305,421
SAF Investor II, L.P.	151,771	126,674
SAF Partners III, L.P.	36,672	--
TCI Real Estate Partners II, L.P.	1,689,669	2,466,796
TCI Real Estate Partners III, L.P.	266,617	407,739
The Lyme Forest Fund IV TE, L.P.	299,128	243,374
	<u>7,825,239</u>	<u>8,475,667</u>
Absolute return fund:		
Bracebridge Capital BIL Ltd. - Class Y	5,783,147	5,496,491
Total	<u>\$ 122,241,720</u>	<u>\$ 117,392,369</u>

As of September 2022, investments have decreased approximately 9%.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 - FEDERAL EXCISE TAX

The Foundation is subject to federal excise taxes at a rate of 1.39% for the years ended December 31, 2021 and 2020 on its net investment income. Deferred excise taxes arise primarily from the difference in the book and tax accounting bases of investments.

For the years ended December 31, 2021 and 2020, the change in deferred excise taxes is due to the net market changes in investments. The deferred excise tax liability represents the tax outcome should all the investments be sold. The components of the federal excise tax expense are as follows:

	2021	2020
Current federal excise tax expense	\$ 107,334	\$ 67,033
Deferred federal excise tax expense	<u>115,091</u>	<u>157,067</u>
Federal Excise Tax Expense	<u>\$ 222,425</u>	<u>\$ 224,100</u>

The Tax Reform Act of 1984 requires that certain minimum distributions be made in accordance with a specified formula. For the years ended December 31, 2021 and 2020, the Foundation made charitable distributions in excess of the required minimum amount. As of December 31, 2021, the Foundation has estimated carry forwards to meet future charitable distribution requirements, which expire as follows:

For the Years Ending December 31,	Amount
2022	\$ --
2023	1,365,915
2024	1,350,714
2025	<u>246,948</u>
Total	<u>\$ 2,963,577</u>

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 - RELATED PARTY TRANSACTIONS

Some Directors of the Foundation and/or the spouse/domestic partner and/or family members of some Directors and/or employees of the Foundation are also board members, officers, or employees of organizations that have been awarded grants from the Foundation. For the years ended December 31, 2021 and 2020, \$75,000 was awarded to two organizations and \$105,000 was awarded to three organizations, respectively.

The Foundation's Conflict of Interest Policy is as follows:

“No Director, Family Council member, or employee will take part in any Foundation decision that benefits him or her or his or her immediate or extended family materially. Nor may a Director, Family Council member or employee take part in any Foundation decision that directly benefits an organization with which the Director, Family Council member or employee, his/her spouse or domestic partner, parent, or child has a formal relationship.”

The Foundation also has a matching gift policy that will match, at the individual's choice, \$1 for every \$1, \$2 for every \$1, or \$3 for every \$1 donated by directors, employees, or members of the Family Council up to a maximum of \$15,000 for each individual. For the years ended December 31, 2021 and 2020, the Foundation made matching gifts of \$317,000 and \$380,934, respectively.

NOTE 6 - RETIREMENT PLAN

The Foundation has a defined contribution plan (the “Plan”) established under IRC §403(b). The Plan covers all employees who work 50% of full-time or more. The Foundation contributes up to 15% of each eligible employee's annual compensation. For the years ended December 31, 2021 and 2020, the Foundation contributed \$52,380 and \$51,592 to the Plan, respectively.

During the year ended December 31, 2020, the Plan adopted the provisions of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). Among other changes, the CARES Act allows for early withdrawal of funds, increases the amounts participants are allowed to borrow, and waives required minimum distributions during calendar year 2020 for participants impacted by the COVID-19 virus. The CARES Act allowed the Plan to adopt the provisions immediately as long as a formal amendment to the Plan is made on or before December 31, 2025, or a later date if determined by the Department of Treasury.

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 7 - COMMITMENTS

GRANTS

Of total grants payable of \$1,914,500 at December 31, 2021, \$1,899,500 are expected to be paid during the year ended December 31, 2022 and \$15,000 are expected to be paid during the year ended December 31, 2023.

LEASE

The Foundation had a lease agreement with the William and Flora Hewlett Foundation for its office space at a monthly rent of \$1,400 through April 2022. During March 2022, the lease was renewed through April 2024 with the same monthly rent.

The following is a schedule of future minimum lease commitments as of December 31, 2021:

For the Years Ending December 31,	Amount
2022	\$ 16,800
2023	16,800
2024	<u>5,600</u>
Total	<u>\$ 39,200</u>

Rent expense for each of the years ended December 31, 2021 and 2020, was \$16,800.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation regularly monitors liquidity to meet its annual operational needs and other contractual commitments, while also striving to preserve the principal and return on investments. The Foundation's financial assets available within one year of the statements of financial position dates for general expenditures were as follows:

FLORA FAMILY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

	2021	2020
Financial Assets		
Cash and cash equivalents	\$ 9,912,055	\$ 4,141,125
Investments	<u>89,023,391</u>	<u>79,537,666</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 98,935,446</u>	<u>\$ 83,678,791</u>

The Foundation has adequate available liquidity to meet its general expenditures and other short-term obligations as they become due. The Foundation maintains its investment maturities for redemption or liquidation within terms that provide the liquidity level to exceed the operational needs. Management is focused on sustaining the financial liquidity of the Foundation throughout the year. This is done through monitoring and reviewing the Foundation's cash flow needs on a weekly basis. As part of its liquidity plan, the Foundation maintains enough cash to cover annual grants and operating expenses. The investments in the table above are available to meet cash flow needs, because they are either scheduled to liquidate within the year or can be liquidated at any time.

NOTE 9 - RISK AND UNCERTAINTY

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the statements of activities and changes in net assets.

NOTE 10 - SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through November 7, 2022, the date the financial statements were available to be issued. Except for the decrease in investments as disclosed in Note 3 and the lease renewal as disclosed in Note 7, there are no other events or transactions requiring adjustments to the financial statements or disclosure in the accompanying notes to the financial statements.