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Independent Auditor's Report

The Board of Directors of
The Tinker Foundation, Incorporated

Opinion

We have audited the financial statements of The Tinker Foundation, Incorporated, 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 accompanying financial statements present fairly, in all material respects, the financial position of The Tinker Foundation, Incorporated 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 (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 Tinker Foundation, Incorporated 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 The Tinker Foundation, Incorporated's ability to continue as a going concern for one year after the date that the financial statements are 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 Tinker Foundation, Incorporated'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 Tinker Foundation, Incorporated'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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investments as of December 31, 2021 and 2020 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and recording such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Owen J. Flanagan & Co.

June 10, 2022

THE TINKER FOUNDATION, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 2,171,452	\$ 1,950,920
Investments	90,609,412	86,107,600
Prepaid expenses and other assets	24,303	13,175
Property and equipment, net	<u>282,002</u>	<u>338,532</u>
Total Assets	<u>\$ 93,087,169</u>	<u>\$ 88,410,227</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 79,112	\$ 49,970
Grants payable	2,304,000	1,140,500
Post-retirement liability	77,000	96,000
Taxes payable	23,635	1,844
Deferred federal excise tax payable	<u>282,922</u>	<u>288,398</u>
Total Liabilities	2,766,669	1,576,712
Net assets without donor restriction	<u>90,320,500</u>	<u>86,833,515</u>
Total Liabilities and Net Assets	<u>\$ 93,087,169</u>	<u>\$ 88,410,227</u>

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

THE TINKER FOUNDATION, INCORPORATED
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE		
Net investment return	\$ 10,223,836	\$ 7,623,848
Tax expense	<u>(154,315)</u>	<u>(104,973)</u>
Total Revenue	<u>10,069,521</u>	<u>7,518,875</u>
EXPENSES		
Program	6,011,422	5,574,569
Management and governance	446,365	455,677
Investment oversight	<u>124,749</u>	<u>116,202</u>
Total Expenses	<u>6,582,536</u>	<u>6,146,448</u>
Change in Net Assets for Year	<u>3,486,985</u>	<u>1,372,427</u>
NET ASSETS		
Beginning of year	<u>86,833,515</u>	<u>85,461,088</u>
End of Year	<u>\$ 90,320,500</u>	<u>\$ 86,833,515</u>

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

THE TINKER FOUNDATION, INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 3,486,985	\$ 1,372,427
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	56,531	56,531
Deferred federal excise tax expense	(5,476)	28,039
Realized gain and change in unrealized appreciation on investments	(9,069,328)	(6,453,215)
Change in operating assets and liabilities		
Prepaid expenses and other assets	(11,128)	820
Prepaid taxes	-	9,089
Accounts payable and accrued expenses	29,142	46,365
Grants payable	1,163,500	1,140,500
Post-retirement liability	(19,000)	(14,000)
Taxes payable	<u>21,791</u>	<u>1,844</u>
<u>Net Cash Used In Operating Activities</u>	<u>(4,346,983)</u>	<u>(3,811,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(22,697,697)	(24,915,807)
Proceeds from sale of investments	<u>27,265,212</u>	<u>26,822,123</u>
<u>Net Cash Provided By Investing Activities</u>	<u>4,567,515</u>	<u>1,906,316</u>
Net Change in Cash and Cash Equivalents	220,532	(1,905,284)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,950,920</u>	<u>3,856,204</u>
End of Year	<u>\$ 2,171,452</u>	<u>\$ 1,950,920</u>
Supplemental disclosure:		
Taxes Paid	<u>\$ 138,000</u>	<u>\$ 66,000</u>

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

THE TINKER FOUNDATION, INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	<u>Program</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>Total</u>	<u>Program</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>Total</u>
Grants	\$ 5,238,750			\$ 5,238,750	\$ 4,790,750			\$ 4,790,750
Salaries, benefits and post-retirement	595,833	\$ 309,498	\$ 89,631	994,962	622,766	\$ 302,717	\$ 86,828	1,012,311
Consulting and professional fees	14,601	38,158	11,550	64,309	6,884	69,281	9,750	85,915
Directors fees		18,000		18,000	-	16,000	-	16,000
Occupancy	47,780	24,426	7,188	79,394	47,858	22,504	6,672	77,034
Office expenses	74,865	38,272	11,262	124,399	57,785	27,171	8,055	93,011
Travel	5,572	619		6,191	13,406	1,490	-	14,896
Depreciation	34,021	17,392	5,118	56,531	35,120	16,514	4,897	56,531
	<u>\$ 6,011,422</u>	<u>\$ 446,365</u>	<u>\$ 124,749</u>	<u>\$ 6,582,536</u>	<u>\$ 5,574,569</u>	<u>\$ 455,677</u>	<u>\$ 116,202</u>	<u>\$ 6,146,448</u>

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

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 1 Organization

The Tinker Foundation, Incorporated (the “Foundation”) is a private foundation which supports activities to promote the development of an equitable, sustainable and productive society in Latin America. The Foundation’s primary source of revenue is investment revenue.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared in accordance with United States generally accepted accounting principles. Revenue is recorded when earned and expenses are recorded when incurred. Net assets are classified based on the existence or absence of donor-imposed restrictions. All net assets of the Foundation are considered net assets without donor restriction.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less, at the time of purchase, except for those short-term investments managed by the Foundation’s investment managers as part of their long-term investment strategies.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Expenses

The financial statements report certain categories of expenses, such as occupancy, office expenses, travel and depreciation expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses are allocated based on time and effort in addition to salary and benefit costs. Other expenses incurred are allocated directly to the applicable program or supporting service.

Fair Value Measurements

The Foundation follows Financial Accounting Standards Board (FASB) 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.

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 2 Summary of Significant Accounting Policies (Continued)

Investment Valuation

Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. FASB guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein. These investments have been excluded from classification within the fair value hierarchy as required under U.S. GAAP.

Investment Income Recognition

Purchases and sales of securities 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.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method. The office space of the Foundation, a condominium, is being depreciated over a forty-year period. Furniture and fixtures are being depreciated over seven years. Computer equipment is being depreciated over a three-year period. The Foundation capitalizes all property and equipment items purchased over \$10,000.

Uncertain Tax Positions

The Foundation has not entered into any uncertain tax positions that would require financial statement recognition. It is no longer subject to audits by the applicable taxing jurisdictions prior to periods ending December 31, 2018.

Subsequent Events

In connections with the preparation of the financial statements, the Foundation evaluated subsequent events after the statement of financial position date of December 31, 2021 through June 10, 2022, which was the date the financial statements were available to be issued.

Note 3 Federal Excise Taxes

The Foundation is a nonprofit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code), and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to a federal excise tax of 1.39% on its net investment income, as defined, for tax purposes. Excise tax expense totaled approximately \$159,791 and \$76,934 for 2021 and 2020, respectively.

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 3 Federal Excise Taxes (Continued)

Deferred excise taxes principally arise from differences between the cost and fair value of investments. At December 31, 2021 and 2020, the fair value of the Foundation's investments exceeded the total cost; accordingly, provisions for deferred federal excise tax were made for the tax on the net appreciation of investments using the 1.39% tax rate. Deferred excise tax expense (recovery) totaled (\$5,476) and \$28,039 for 2021 and 2020, respectively.

Note 4 Unrelated Business Income Tax

The Foundation is subject to unrelated business income tax on certain income generated through its investment vehicles. The Foundation's investments generated unrelated business losses in 2021 and 2020, resulting in no federal tax for the respective years.

Note 5 Fair Value Measurements

The following are major categories of investments measured at estimated fair value as of December 31:

	2021			
	Level 1	Level 2	Reported at NAV	Total
Common stocks				
Consumer	\$ 441,696	\$ -	\$ -	\$ 441,696
Healthcare	550,094			550,094
Industrials	565,159			565,159
Technology	698,248			698,248
Other	408,040			408,040
Mutual Funds				
Large cap equity funds	15,351,928	8,562,357	-	23,914,285
Small cap equity funds	3,086,629	-	-	3,086,629
Emerging markets funds	4,089,321	-	-	4,089,321
All asset funds	3,224,361	-	-	3,224,361
Global equity funds	9,055,074	-	-	9,055,074
Fixed income funds	7,991,224	-	-	7,991,224
Hedge Funds	-	-	22,859,248	22,859,248
Fixed income funds	-	-	3,479,592	3,479,592
International equity funds	-	-	6,065,419	6,065,419
Limited partnerships				
Private equity	-	-	1,674,429	1,674,429
Real estate	-	-	506,593	506,593
	<u>45,461,774</u>	<u>8,562,357</u>	<u>34,585,281</u>	<u>88,609,412</u>
Pending purchase	-	-	-	2,000,000
	<u>\$45,461,774</u>	<u>\$ 8,562,357</u>	<u>\$34,585,281</u>	<u>\$90,609,412</u>

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 5 Fair Value Measurements (Continued)

	2020			
	Level 1	Level 2	Reported at NAV	Total
Treasury note	\$ 1,005,000	\$ -	\$ -	\$ 1,005,000
Mutual Funds				
Large cap equity funds	16,327,214	9,546,234	-	25,873,448
Small cap equity funds	4,266,271	-	-	4,266,271
Emerging markets funds	4,940,145	-	-	4,940,145
All asset funds	2,789,710	-	-	2,789,710
Global equity funds	9,618,866	-	-	9,618,866
Fixed income funds	9,439,449	-	-	9,439,449
Hedge Funds	-	-	21,055,712	21,055,712
Fixed income funds	-	-	3,686,194	3,686,194
International equity funds	-	-	3,279,633	3,279,633
Limited partnerships				
Private equity	-	-	20,732	20,732
Real estate	-	-	132,440	132,440
	<u>\$48,386,655</u>	<u>\$ 9,546,234</u>	<u>\$28,174,711</u>	<u>\$86,107,600</u>

Information regarding the investments reported at NAV at December 31, 2021 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds (a)	\$ 5,941,551	\$ -	Quarterly	65 days
Hedge Funds (b)	211,613	-	Quarterly	60 days
Hedge Funds (c)	5,586,706	-	Quarterly	90 days
Hedge Funds (d)	2,474,373	-	Quarterly	90 days
Hedge Funds (e)	4,534,095	-	Quarterly	60 days
Hedge Funds (f)	4,110,910	-	Quarterly	65 days
Fixed income funds (g)	3,479,592	-	Monthly	10 days
International equity funds (h)	3,493,075	-	Monthly	10 days
International equity funds (h)	2,572,344	-	Quarterly	45 days
Private equity limited partnership (i)	1,674,429	225,000	Not eligible	
Real estate limited partnerships (j)	<u>506,593</u>	<u>1,125,000</u>	Not eligible	
	<u>\$34,585,281</u>	<u>\$ 1,350,000</u>		

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 5 Fair Value Measurements (Continued)

- a. The investment objective of this fund is to achieve capital appreciation through event-driven investments which seek to exploit situations in which announced or anticipated events create inefficiencies in the pricing of investments. The fund primarily invests in the securities and financial instruments of issuers (i) that are experiencing financial distress, that are attempting to complete an out-of-court restructuring, are involved in a bankruptcy or similar proceedings and/or involved in substantial litigation or (ii) that are the subject of proposed changes in corporate structure or control, such as tender or exchange offers, mergers, unsolicited merger proposals, spin-offs, split-offs, liquidations and recapitalizations. In making event-driven investments, the fund may invest at any or all levels of an issuer's capital structure. The fund also engages in convertible arbitrage and volatility arbitrage.
- b. The investment objective of this fund is to generate long-term, superior, risk-adjusted returns by investing primarily in publicly traded equity securities. The investment manager seeks to achieve the investment objective by employing a strict fundamentals-based investment approach. The fund generally invests in companies that appear to be trading at a discount to their intrinsic value, and short companies that it believes are trading at a premium to their intrinsic value. It is a generalist fund and invests across all sectors and geographies. During 2020, the fund began liquidating and made distributions in 2020 and 2021. The remaining proceeds are expected to be fully distributed in 2022.
- c. The fund's investment objective is to generate positive absolute returns on capital through investments, long and short, in the securities and other financial instruments including, without limitation, senior, secured and unsecured bank debt and public debt, junior debt, trade claims, equities, convertible securities, options, swaps, credit default swaps and other derivatives of companies that are (i) experiencing financial distress; (ii) attempting to complete an out-of-court restructuring, including spin-offs and recapitalization; (iii) involved in bankruptcy, liquidation, or similar proceeding; and/or (iv) involved in substantial litigation.
- d. This fund was created to provide investors with a vehicle that has a nimble and relatively flexible mandate across the fund's investment universe. Asset allocation shifts are more pronounced compared to its flagship fund and the fund has a higher tolerance for holding more concentrated positions. The investment focus is on a concentrated subset of strategies which offer equity-like potential.
- e. This fund seeks to achieve equity like returns while taking on significantly less market risk than the broad market indices. The fund strives to achieve this goal through superior security selection on both long and short positions. Net long-term exposure will vary between 40%-60%. Gross exposure will range from 100%-160%. The fund will have 20-40 long positions. Core long positions will be 4%-8% of NAV. The fund will typically have 15-35 short positions, sized in the .5%-2.5% range. Concentration in any one industry will be less than 35% on a net long-term basis.

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 5 Fair Value Measurements (Continued)

- f. This fund seeks to target traditional and non-traditional sources of alpha by employing a diverse set of catalyst-driven absolute return strategies that are intended to be uncorrelated to each other and to the major indices. The fund utilizes the four core absolute return strategies by investing across the corporate capital structure and often trade around or in conjunction with an event or catalyst.
- g. The fund was organized with the objective of achieving interest income and long-term capital appreciation by investing in non-U.S. debt securities. The fund concentrates its investments in bonds of countries having the best value in the form of high real interest rates.
- h. The investment objective of these funds is to obtain long-term capital gains and income through investing in diversified portfolios of international equities.
- i. This limited partnership was formed in December 2019 to invest in a select group of private equity funds in the venture capital sector. The partnership will continue until January 4, 2026, unless terminated sooner or extended in accordance with the partnership agreement.
- j. Two limited partnerships were formed in 2007 and 2021 to invest in real estate assets, with a goal of achieving superior risk-adjusted returns. The investment period for the initial partnership, as defined by the partnership agreement, terminated in 2012.

Note 6 Net Investment Return

Net investment return as of December 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 1,544,387	1,520,797
Realized gains	9,463,074	4,436,045
Unrealized gains (losses)	<u>(393,746)</u>	<u>2,017,170</u>
	10,613,715	7,974,012
Direct investment expenses	<u>(389,879)</u>	<u>(350,164)</u>
	<u>\$10,223,836</u>	<u>\$ 7,623,848</u>

Note 7 Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditures within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing.

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 7 Liquidity and Availability of Financial Assets (Continued)

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,171,452	\$ 1,950,920
Investments	<u>90,609,412</u>	<u>86,107,600</u>
	92,780,864	88,058,520
Illiquid investments	<u>(2,181,022)</u>	<u>(153,172)</u>
Total financial assets available for general expenditure within next 12 months	<u>\$ 90,599,842</u>	<u>\$ 87,905,348</u>

The annual spending rate is proposed by the Finance Committee as part of the budget each year and communicated to the Board for its approval based on current conditions.

Note 8 Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Office condominium	\$2,152,757	\$2,152,757
Furniture and fixtures	<u>130,099</u>	<u>130,099</u>
	2,282,856	2,282,856
Accumulated depreciation	<u>2,000,854</u>	<u>1,944,324</u>
	<u>\$ 282,002</u>	<u>\$ 338,532</u>

Note 9 Retirement Benefits

The Foundation provides a 401(K) Plan covering all of its employees who are 21 years of age or older. Employees are permitted to contribute to this plan from pre-tax compensation up to the dollar limit established annually by the Internal Revenue Service as well. Employees who have 12 months of service at the Foundation are eligible for the Foundation's discretionary contribution benefit. The Foundation contributed 15% of eligible compensation, 3% as a safe harbor contribution and 12% as a discretionary contribution, to each eligible participant. This benefit totaled \$108,083 and \$110,309 in 2021 and 2020, respectively.

Note 10 Grant Activity

Grants authorized are recognized when approved by the Foundation's Board of Directors. Grants payable represent amounts authorized but scheduled for future payment. Grants to be paid in more than one year are discounted to present value, if material. The commitments outstanding at December 31, 2021 are scheduled for payment as follows:

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 10 Grant Activity (Continued)

2022	\$ 1,820,000
2023	<u>484,000</u>
	<u>\$2,304,000</u>

As of December 31, 2021, \$532,500 of contingent grants have been awarded with contractual requirements that have not been met at year-end and therefore not reflected in these financial statements.

Note 11 Concentration of Risk

The Foundation maintains cash in banks, which at times exceed federally insured limits. The Foundation uses only large well-established banks to minimize this risk and has not experienced any losses on its cash deposits.

Note 12 Post-Retirement Liability

In 2016, the Tinker Foundation adopted a formal post-retirement medical policy for long-time employees that either were approaching retirement or retired from the Foundation at that time. Under the policy the employees will receive \$6,000 per year for medical costs for the first five years and \$3,000 per year for the next five years, ending at 10 years of benefits. There is one elderly past-employee whom the Foundation has promised to cover up to \$6,000 per year of medical costs for the remainder of her life.

	<u>2021</u>	<u>2020</u>
Benefit obligation at December 31	\$ 92,000	\$ 136,000
Accrued benefit costs recognized in the statement of financial position	\$ 77,000	\$ 96,000
Benefit cost	\$ 4,901	\$ 9,874
Employer contributions	\$ 20,097	\$ 23,874
Benefit paid	\$ 20,097	\$ 23,874

A 6% discount rate was used in determining the current accrued benefit obligation in 2021 and 2020. This plan is not funded.

THE TINKER FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 12 Post-Retirement Liability (Continued)

The expected benefit payments over the next ten years are as follows:

2022	\$ 19,000
2023	16,000
2024	16,000
2025	16,000
2026	16,000
2027	<u>9,000</u>
	<u>\$ 92,000</u>

Note 13 Other Matters

The COVID-19 pandemic has resulted in changes to the operations of the Foundation and its grantees. In addition, there has been substantial volatility in the global economy and financial markets. For this and other reasons, the broad financial markets have experienced significant declines in value subsequent to year end. Because of these ever-changing market conditions, the impact on the Foundation's financial position, if any, cannot be determined at this time.

THE TINKER FOUNDATION, INCORPORATEDSCHEDULE OF INVESTMENTSDECEMBER 31, 2021 AND 2020

	<u>2021</u> <u>Fair Value</u>	<u>2020</u> <u>Fair Value</u>
Treasury Notes		
US Treasury Note, 1.125% due on 6/30/21	\$ -	\$ 1,005,000
Common stocks	2,663,237	-
Mutual Funds		
Baillie Gifford	4,616,857	5,189,242
Edgewood Growth	6,636,208	5,691,197
GQG Partners	4,438,217	4,429,624
Independent Franchise Partners	8,562,357	9,546,234
PIMCO Total Return Fund	7,991,224	9,439,449
PIMCO All Asset Fund	3,224,361	2,789,710
The Vanguard Group Institutional Index Fund	4,939,311	10,636,017
The Vanguard Group Small Cap Value Index Fund	3,086,629	4,266,271
The Vanguard Group Emerging Markets Equity Index Fund	4,089,321	4,940,145
The Vanguard Windsor Admiral Fund	3,776,409	-
Hedge Funds		
Canyon Balanced	2,474,373	2,231,063
Davidson Kempner Institutional Partners, L.P.	5,941,551	5,527,987
Davidson Kempner Distressed Opportunities International Ltd.	5,586,706	4,867,689
Hawk Ridge Partners	4,534,095	4,128,031
Hudson Bay	4,110,910	3,622,116
Valinor Capital Partners	211,613	678,826
Fixed Income Funds		
Brandywine Global Opportunistic Fixed Income	3,479,592	-
Brandywine International Fixed Income Portfolio	-	3,686,194
International Equity Funds		
Highclere International Investors	3,493,075	3,279,633
Junto Offshore Fund Ltd.	2,572,344	-
Limited Partnerships		
Adler US Property V Investors LP	375,000	-
Corner Ventures DAG Fund 1-C LP	1,674,429	-
Park Street Capital Private Equity VI, LP	-	20,732
Westbrook Real Estate	131,593	132,440
	88,609,412	86,107,600
Pending purchase	2,000,000	-
Total Investments	<u>\$ 90,609,412</u>	<u>\$ 86,107,600</u>

See accompanying independent auditor's report.