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MEMBERS OF AMERICAN  
INSTITUTE OF CERTIFIED  
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**Independent Auditor's Report**

**The Board of Directors of  
The Teagle Foundation, Incorporated**

***Opinion***

We have audited the accompanying financial statements of the The Teagle Foundation, Incorporated (the "Foundation"), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, cash flows and functional expenses 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 The Teagle Foundation as of June 30, 2025 and 2024 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 for one year after the date that the financial statements are available to be issued.

**Independent Auditor's Report**  
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***Auditor's Responsibility 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 not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (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 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 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 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.

*Arthur J. Flanagan & Co.*

November 21, 2025  
White Plains, NY

THE TEAGLE FOUNDATION, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Investments, at fair value		
Cash and short-term investments	\$ 3,195,955	\$ 7,788,474
Global equity	81,812,048	67,870,593
Hedge funds	9,662,572	18,118,668
Private equity	36,604,744	35,130,536
Alternative investments	11,615,023	8,564,541
Fixed income	23,017,821	23,653,656
<u>Total Investments</u>	<u>165,908,163</u>	<u>161,126,468</u>
Operating cash	515,489	508,489
Prepaid expenses and other assets	232,894	108,538
Receivables	657,896	853,291
Leasehold improvements, furniture and equipment, net	100,061	94,635
Right of use assets - operating lease, net	2,513,952	2,692,629
<u>Total Assets</u>	<u>\$ 169,928,455</u>	<u>\$ 165,384,050</u>
<u>LIABILITIES AND NET ASSETS</u>		
Grants payable	\$ 5,175,413	\$ 5,784,272
Accounts payable and accrued expenses	225,640	126,268
Federal excise and UBI taxes payable	1,041,800	172,458
Deferred Federal excise tax payable	327,788	508,379
Lease payable	2,742,258	2,806,885
<u>Total Liabilities</u>	<u>9,512,899</u>	<u>9,398,262</u>
Net Assets	<u>160,415,556</u>	<u>155,985,788</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 169,928,455</u>	<u>\$ 165,384,050</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

<u>Revenue</u>	<u>2025</u>	<u>2024</u>
Net investment return	\$ 15,934,638	\$ 17,009,551
Less:		
Federal excise and unrelated business income tax	893,747	385,780
Deferred federal excise tax (recovery) expense	<u>(180,591)</u>	<u>17,574</u>
<u>Investment return net of taxes</u>	<u>15,221,482</u>	<u>16,606,197</u>
Contributions	<u>272,500</u>	<u>1,014,625</u>
<u>Total Revenue</u>	<u>15,493,982</u>	<u>17,620,822</u>
<u>Expenses</u>		
Grants	7,831,765	10,159,053
Program management	2,049,735	1,846,848
Management and governance	836,923	712,457
Investment oversight	<u>345,791</u>	<u>359,270</u>
<u>Total Expenses</u>	<u>11,064,214</u>	<u>13,077,628</u>
Change in Net Assets	4,429,768	4,543,194
Net Assets		
Beginning of year	<u>155,985,788</u>	<u>151,442,594</u>
End of year	<u>\$ 160,415,556</u>	<u>\$ 155,985,788</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Change in net assets for year	\$ 4,429,768	\$ 4,543,194
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Amortization of right of use assets - operating lease	178,677	188,481
Depreciation and amortization	5,860	7,092
Net realized and unrealized gain on investments	(12,054,693)	(15,056,698)
(Increase) decrease in assets:		
Prepaid expenses and other assets	(124,356)	161,312
Receivables	195,395	(260,480)
Increase (decrease) in liabilities:		
Grants payable	(608,859)	912,072
Accounts payable and accrued expenses	99,372	69,624
Federal excise and UBI taxes payable	869,342	172,458
Deferred federal excise tax	(180,591)	17,574
Lease payable	(64,627)	(78,145)
	(7,254,712)	(9,323,516)
Net cash used in operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	(11,286)	(7,699)
Purchases of investments	(115,551,857)	(36,887,238)
Proceeds from sales of investments	118,232,336	46,696,175
Net change in short-term investments	4,592,519	(612,151)
	7,261,712	9,189,087
Net cash provided by investing activities		
Change in operating cash	7,000	(134,429)
Operating cash		
Beginning of year	508,489	642,918
End of year	\$ 515,489	\$ 508,489
Supplemental Information		
Unrelated business income taxes paid	\$ 61,145	\$ 36,000
Excise taxes paid	\$ 117,555	\$ 70,000

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATEDSTATEMENTS OF FUNCTIONAL EXPENSESYEARS ENDED JUNE 30, 2025 AND 2024

	<u>Grants and Program Management</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>2025 Total</u>
Grants	\$ 7,831,765	\$ -	\$ -	\$ 7,831,765
Salaries	802,091	238,750	209,700	1,250,541
Payroll taxes and benefits	222,311	78,184	50,284	350,779
Occupancy	206,082	61,342	53,878	321,302
Communications, program evaluations, and grantee convenings	246,056	-	-	246,056
Consulting and professional fees	423,901	355,342	3,916	783,159
Travel, conferences and meetings	50,352	32,948	-	83,300
Office expenses	16,013	45,740	6,264	68,017
Systems and technology support	79,171	23,566	20,698	123,435
Depreciation	3,758	1,051	1,051	5,860
	<u>2,049,735</u>	<u>836,923</u>	<u>345,791</u>	<u>3,232,449</u>
Total	<u>\$ 9,881,500</u>	<u>\$ 836,923</u>	<u>\$ 345,791</u>	<u>\$ 11,064,214</u>
	<u>Grants and Program Management</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>2024 Total</u>
Grants	\$ 10,159,053	\$ -	\$ -	\$ 10,159,053
Salaries	782,841	223,594	217,341	1,223,776
Payroll taxes and benefits	211,856	120,542	49,633	382,031
Occupancy	203,712	58,184	56,557	318,453
Communications, program evaluations and grantee convenings	380,616	-	-	380,616
Consulting and professional fees	136,684	202,028	7,932	346,644
Travel, conferences and meetings	31,964	41,283	-	73,247
Office expenses	18,438	43,784	5,374	67,596
Systems and technology support	76,200	21,764	21,155	119,119
Depreciation	4,537	1,278	1,278	7,093
	<u>1,846,848</u>	<u>712,457</u>	<u>359,270</u>	<u>2,918,575</u>
Total	<u>\$ 12,005,901</u>	<u>\$ 712,457</u>	<u>\$ 359,270</u>	<u>\$ 13,077,628</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**1. Organization and Tax Status**

The Teagle Foundation, Incorporated (the "Foundation") was established in 1944 by Walter C. Teagle, longtime President and later Chairman of the Board of Standard Oil Company (New Jersey), now Exxon Mobil Corporation ("Exxon"). Its assets are derived from bequests from Mr. Teagle, his wife, Rowena Lee Teagle and their son, Walter C. Teagle, Jr. The Foundation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. It has been classified as a private foundation as defined in Section 509(a) of the Internal Revenue Code.

The Teagle Foundation currently works to support and strengthen liberal arts education, which we see as fundamental to meaningful work, effective citizenship, and a fulfilling life. Our aim is to serve as a catalyst for the improvement of teaching and learning in the arts and sciences while addressing issues of financial sustainability and accountability in higher education.

The Foundation's primary source of financial support for its operations is from the investment portfolio.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

The Foundation reports information regarding its financial position and activities based upon the existence or absence of donor restrictions on its net assets. Gifts received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions. Contributions with donor restrictions, received and expended in the same period are reflected as contributions without donor restrictions in the accompanying financial statements. The Foundation's net assets are all classified as net assets without donor restriction.

***Leasehold Improvements, Furniture and Equipment***

Leasehold improvements, furniture and equipment are stated at cost. Depreciation of furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets which range from three to seven years. Leasehold improvements are amortized over the life of the lease.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

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

***Leases***

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Foundation has lease agreements with lease and non-lease components, which are generally accounted for separately. Variable lease components in these leases are recognized in operating expenses in the period in which the obligation is incurred.

***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 the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

***Grants***

Unconditional grants are recognized as expense upon approval by the Board of Directors. Reporting requirements are not considered conditions by the Foundation. Conditional grants are recognized as expense when the conditions have been satisfied by the grantees.

***Cash***

For purposes of cash flow, the Foundation defines operating cash as checking accounts and petty cash.

***Uncertain Tax Positions***

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 has no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions prior to fiscal year 2022.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

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

***Investments***

Investments in marketable securities are valued at quoted market prices. Investments in alternative investment funds are ordinarily valued at the most recent estimate determined by the investment manager or agents based upon the valuation reported by the fund administrators in accordance with the policies established by the relevant funds. As a general matter, the fair value of the Foundation's investment in these funds will represent the amount that the Foundation could reasonably expect to receive from the fund if the Foundation's interest was redeemed at the time of valuation, based upon the information reasonably available at the time the valuation was made.

Valuations provided by these funds may be based upon estimated or unaudited reports and may be subject to later adjustment or revision. Any such adjustments or revision will either increase or decrease the net asset value of the Foundation at the time the Foundation is provided with the information regarding the adjustment.

The Foundation's portfolio of investments is diversified. Investments purchased by the Foundation are recorded at cost. Realized gains and losses from the sale of securities are determined by comparison of cost to proceeds and are determined under the specific identification method on a trade date basis. Net income (interest, dividends, realized gains and management fees) from alternative investments is recorded when reported by the fund, which is normally annually.

***Fair Value Measurement of Investments***

The Foundation follows Financial Accounting Standards Board (FASB) guidance for *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 fair value of alternative investments has been estimated using the Net Asset Value ("NAV") or its equivalent, as reported by management of the respective alternative investment funds. U.S. GAAP guidance provides for the use of NAV or its equivalent as a "Practical Expedient" for estimating fair value of alternative investments. When the practical expedient is used, the investment is excluded from the fair value hierarchy.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**3. Investments**

Investments as of June 30, 2025 and 2024 consist of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and short-term investments	\$ 3,195,955	\$ 3,195,955	\$ 7,788,474	\$ 7,788,474
Global equity	73,003,617	81,812,048	45,208,408	67,870,593
Hedge funds	4,522,438	9,662,572	13,143,520	18,118,668
Private equity	26,960,501	36,604,744	26,550,681	35,130,536
Alternative investments	11,224,806	11,615,023	7,542,488	8,564,541
Fixed income	23,418,967	23,017,821	24,516,641	23,653,656
	<u>\$ 142,326,284</u>	<u>\$ 165,908,163</u>	<u>\$ 124,750,212</u>	<u>\$ 161,126,468</u>

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

3. Investments (Continued)

The following are major categories of investments measured at estimated fair value as of June 30:

	2025			Valued at NAV
	Total	Level 1	Level 2	
Global equity				
Common stocks				
Oil and gas	\$ 3,112,725	\$ 3,112,725	\$ -	\$ -
ETF global equity	78,699,323	78,699,323	-	-
Hedge funds				
Long/short	9,397,907	-	-	9,397,907
US healthcare	264,665	-	-	264,665
Private equity	36,604,744	-	-	36,604,744
Alternative investments				
Private credit	3,871,368	-	-	3,871,368
Tactical tilt	5,257,994	5,257,994	-	-
Special situations	2,485,661	-	-	2,485,661
Fixed income				
US Treasury notes and bonds	7,265,017	-	7,265,017	-
Corporate and foreign bonds	8,105,603	-	8,105,603	-
Bond mutual funds	7,634,160	7,634,160	-	-
Other fixed income	13,041	-	-	13,041
	<u>162,712,208</u>	<u>\$ 94,704,202</u>	<u>\$ 15,370,620</u>	<u>\$ 52,637,386</u>
Cash and short-term investments	<u>3,195,955</u>			
	<u>\$ 165,908,163</u>			

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

3. Investments (Continued)

	2024			Valued at NAV
	Total	Level 1	Level 2	
Global equity				
Common stocks				
Oil and gas	\$ 3,957,250	\$ 3,957,250	\$ -	\$ -
ETF global equity	53,689,688	53,689,688	-	-
Developed market funds				
European equity	10,223,655	-	-	10,223,655
Hedge funds				
Long/short	17,603,140	-	-	17,603,140
US healthcare	515,528	-	-	515,528
Alternative investments				
Private Credit	5,859,461	-	-	5,859,461
Special Situations	2,705,080	-	-	2,705,080
Private equity	35,130,536	-	-	35,130,536
Fixed income				
ETF treasuries	23,639,628	23,639,628	-	-
Other fixed income	14,028	-	-	14,028
	<u>153,337,994</u>	<u>\$ 81,286,566</u>	<u>\$ -</u>	<u>\$ 72,051,428</u>
Cash and short-term investments	<u>7,788,474</u>			
	<u>\$ 161,126,468</u>			

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
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**3. Investments** (Continued)

Information about the investments valued at NAV is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Notice Requirement</u>
Hedge funds (a)	\$ 5,586,295	\$ -	Quarterly	45-90 days
Hedge funds (a)	1,795,052		- Semi-Annual	90 days
Hedge funds (a)	2,281,225		- 2-3 years for full redemption	60-65 days
Private credit (b)	3,871,368	8,264	Illiquid	
Special situations (c)	2,485,661	320,278	Illiquid	
Private equity (d)	36,604,744	16,120,953	Illiquid	
Fixed income (e)	13,041	-	Illiquid	
	<u>\$ 52,637,386</u>	<u>\$ 16,449,495</u>		

- (a) Hedge funds consist of nine investments valued at NAV. Eight funds employ a long/short strategy and one is a US healthcare fund.
- (b) Private credit consists of three funds lending to the private markets.
- (c) Special situations consists of three funds investing in foreign distressed securities.
- (d) Private equity consists of 55 funds valued at NAV. They use various strategies including real estate, buy-out, venture capital, technology, hospitality, and energy.
- (e) Fixed income fund valued at NAV consists of one fund with a specialized credit strategy.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**4. Net Investment Return**

Net investment return for the years ended June 30, 2025 and 2024 consists of the following:

	2025	2024
Interest, dividends and partnership earnings	\$ 5,059,266	\$ 3,401,774
Realized gains	24,849,070	13,922,319
Unrealized gains (losses)	(12,794,377)	1,134,379
	17,113,959	18,458,472
Direct investment expenses	(1,179,321)	(1,448,921)
	\$ 15,934,638	\$ 17,009,551

**5. Liquidity and Availability of Financial Assets**

The following reflects the Foundation's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year of that date due to contractual or donor-imposed restrictions:

	2025	2024
Investments, at fair value	\$ 165,908,163	\$ 161,126,468
Operating cash	515,489	508,489
Other receivables	657,896	853,291
	167,081,548	162,488,248
Less:		
Illiquid investments	(45,256,039)	(64,571,095)
Interest in split-term life insurance policy	(406,671)	(387,715)
	\$ 121,418,838	\$ 97,529,438

Annually the Foundation determines its budget for grants, programs and supporting services in accordance with its spending guidelines. The Foundation determines which assets to redeem to meet cash needs.

**6. Concentration of Risk**

During the fiscal year, the Foundation had cash in the bank exceeding federally insured limits. The Foundation manages this risk by only using a well-established bank.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**7. Leasehold Improvements, Furniture and Equipment**

Leasehold improvements, furniture and equipment as of June 30, 2025 and 2024 are comprised of the following:

	2025	2024
Leasehold improvements	\$250,547	\$242,147
Furniture and equipment	236,897	234,011
Paintings	30,480	30,480
	517,924	506,638
Less: accumulated depreciation and amortization	(417,863)	(412,003)
	<b>\$ 100,061</b>	<b>\$ 94,635</b>

**8. Federal Excise Tax**

In accordance with the applicable provisions of the Internal Revenue Code (the "Code"), the Foundation is subject to a Federal excise tax of 1.39% on its net investment income, as defined, for tax purposes. For the year ended June 30, 2025, excise tax expense was approximately \$379,000. The comparable amount for 2024 was \$200,800.

Some of the Foundation's investments generated unrelated business income. This income is subject to tax at the corporate tax rates. For the year ended June 30, 2025, the unrelated business excise tax was approximately \$515,000 on the Federal level. For the year ended June 30, 2024, the unrelated business excise tax was approximately \$153,000 on the Federal level and \$36,000 on the New York State level.

The deferred tax liability is calculated at 1.39% of unrealized appreciation at June 30, 2025 and 2024, respectively. Changes to the liability for deferred tax on the unrealized appreciation amounted to an decrease of approximately \$328,000 and \$18,000 for the years ended June 30, 2025 and 2024 respectively.

**9. Retirement Plans**

The Foundation maintains a defined contribution profit sharing plan and a 403(b)-retirement plan.

The defined contribution profit sharing plan, was established effective September 1, 2004 and covers all full-time employees. The plan provides for a contribution of ten percent of compensation and is fully vested. The cost of this plan for the years ended June 30, 2025 and 2024 was \$111,301 and \$113,003, respectively.

The Foundation also maintains a 403(b) plan for all employees. The Foundation will match employee contributions to the plan up to five percent of each employee's salary. The cost of this plan for the years ended June 30, 2025 and 2024 was \$54,948 and \$56,865, respectively.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**10. Grants Payable**

The Foundation's Scholarship Program provides grants to the children of employees of Exxon Mobil Corporation and its affiliates. Awards based on financial need are renewable to the completion of the degree up to a maximum of \$10,000 a year for undergraduate study. Conditional commitments to scholarship recipients, which have not been recognized as an expense, totaled approximately \$841,000 as of June 30, 2025.

Unconditional grants are recognized when approved by the Directors of the Foundation. Grants payable represents amounts authorized but scheduled for future payment. Grants to be paid in more than one year are discounted to present value using the treasury bill rate. The commitments outstanding at June 30, 2025, net of the discount to present value, are scheduled for payment as follows:

Year Ending June 30:	2026	\$ 2,934,184
	2027	1,948,240
	2028	<u>479,500</u>
		5,361,924
Less: Discount to present value		<u>(186,511)</u>
		<u>\$ 5,175,413</u>

**11. National Endowment for the Humanities**

On September 25, 2020, the Foundation received notification it has been awarded a grant of up to \$3,000,000 grant from the National Endowment for the Humanities (NEH) to run *Cornerstone: Learning for Living*, an initiative to revitalize the role of the humanities in general education. It was anticipated that this grant would be used over a five-year period.

During the year ended June 30, 2025, the Foundation recognized \$212,500 in contributions from this grant. The grant terminated in April 2025.

THE TEAGLE FOUNDATION, INCORPORATED  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**12. Commitments and Contingencies**

***Leases***

The Foundation's lease for office space in New York City that commenced June 1, 2010 was due to expire in March 2026. In August 2023, the Foundation negotiated modified terms and extended the lease through August 31, 2036. The Foundation will receive eleven months of free rent. The lease contains annual escalations of approximately 1.75% except for fiscal year 2031 which is approximately 5.5%. The Foundation also has a four year lease for a copier that commenced February 1, 2022. The non-variable rent expense component for the years ended June 30, 2025 and 2024 amounted to \$291,049 and \$290,854, respectively. The variable rent expense component amounted to \$70 and \$575, respectively.

The Foundation amortizes the operating lease right-of use asset over the life of the lease agreements. Right-of-use assets consist of the following as of June 30, 2025:

Right of use assets	\$ 3,148,342
Less: accumulated amortization	<u>(634,390)</u>
Present value of operating lease assets	<u>\$ 2,513,952</u>

The Foundation evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU asset and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate as the discount rate. The discount rate applied to calculate the lease liabilities for the modified lease was 4.18%. The previous leases were calculated using 2.85%.

The future minimum annual rental commitment under these leases as of June 30, 2025 are:

2026	\$ 213,385
2027	291,421
2028	296,520
2029	301,709
2030	306,989
2031-2036	<u>2,092,233</u>
Total undiscounted operating lease payments	3,502,257
Less: Present value discount	<u>759,999</u>
Present value of operating lease liabilities	<u>\$ 2,742,258</u>

THE TEAGLE FOUNDATION, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

**13. Reclassification**

Certain prior year numbers have been reclassified to conform to the current year's presentation.

**14. Line of Credit/Margin Loan**

In June 2025, the Foundation obtained the ability to borrow up to 75% against its holdings managed and held at Goldman Sachs. At June 30, 2025, the eligible holdings were valued at approximately \$111 million. During 2025 there were no borrowings.

**15. Subsequent Events**

In connection with the preparation of the financial statements the Foundation evaluated subsequent events after the statement of financial position date of June 30, 2025 through November 21, 2025 which was the date the financial statements were available to be issued.