



Consolidated Financial Statements

as of and for the years ended December 31, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

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ASSETS	DECEMBER 31, 2022 (\$)	DECEMBER 31, 2021 (\$)
Marketable Investments, at fair value (Note 3 and Note 8):		
Mutual Funds – Equity	80,962,207	122,965,420
Mutual Funds – Fixed Income	26,227,463	36,016,828
Mutual Funds – Other	16,863,900	16,982,397
Alternative Investments	21,569,598	-
Non-marketable investments, at fair value (Note 3 and Note 8)	-	-
Cash and cash equivalents (Note 3 and Note 7)	862,909	2,363,003
Program related investments - loans committed, net of allowance for loan losses (Note 3 and Note 9)	234,000	215,000
Prepaid expenses and other assets	1,105	7,092
Fixed Assets, net (Note 11)	3,179,332	3,287,353
TOTAL ASSETS	149,900,514	181,837,093
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	244,695	147,347
Program related investments, payable (Note 3 and note 9)	-	-
Grants payable (Note 3 and Note 9)	1,182,186	1,410,662
TOTAL LIABILITIES	1,426,881	1,558,009
NET ASSETS (NOTE 5)		
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board Designated Endowment Fund (Note 6)	145,623,168	175,964,647
Fixed Assets, Net (Note 11)	3,179,332	3,287,353
Undesignated (Note 5)	(328,867)	1,027,084
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	148,473,633	180,279,084
TOTAL LIABILITIES AND NET ASSETS	149,900,514	181,837,093

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CHANGES IN NET ASSETS	YEAR ENDED DECEMBER 31, 2022 (\$)	YEAR ENDED DECEMBER 31, 2022 (\$)	YEAR ENDED DECEMBER 31, 2022 (\$)
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
INCOME			
Realized gain/(loss) on sale of non-marketable investments (Note 8)	-	-	-
Interest and dividend income, net (Note 8)	8,459,134	-	8,459,134
TOTAL INCOME	8,459,134	-	8,459,134
EXPENSES			
Employee compensation and benefits	672,773	-	672,773
Occupancy expenses	181,459	-	181,459
Professional services	485,539	-	485,539
Trustees' expenses	160,549	-	160,549
Administrative and other	232,610	-	232,610
Depreciation and amortization	108,021	-	108,021
TOTAL OPERATING EXPENSES (NOTE 10)	1,840,951	-	1,840,951
GRANTS AWARDED TO OTHER ORGANIZATIONS (NOTE 9)	4,178,124	-	4,178,124
PROGRAM RELATED INVESTMENTS ALLOWANCE FOR LOAN LOSSES	39,000	-	39,000
INCOME IN EXCESS OF GRANTS AWARDED, ALLOWANCE FOR LOAN LOSSES AND OPERATING EXPENSES	2,401,059	-	2,401,059
Net realized gain/(loss) on marketable investments (Note 8)	(6,606,201)	-	(6,606,201)
Net unrealized gain/(loss) on marketable investments (Note 8)	(27,528,188)	-	(27,528,188)
Net currency remeasurement (losses)/gains (Note 3 and Note 8)	(72,121)	-	(72,121)
DECREASE IN NET ASSETS	(31,805,451)	-	(31,805,451)
NET ASSETS, BEGINNING OF YEAR	180,279,084	-	180,279,084
NET ASSETS, END OF THE YEAR	148,473,633	-	148,473,633

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CHANGES IN NET ASSETS	YEAR ENDED DECEMBER 31, 2021 (\$)	YEAR ENDED DECEMBER 31, 2021 (\$)	YEAR ENDED DECEMBER 31, 2021 (\$)
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
INCOME			
Realized gain/(loss) on sale of non-marketable investments (Note 8)	(1,345,098)	-	(1,345,098)
Interest and dividend income, net (Note 8)	17,968,424	-	17,968,424
TOTAL INCOME	16,623,326	-	16,623,326
EXPENSES			
Employee compensation and benefits	633,639	-	633,639
Occupancy expenses	166,960	-	166,960
Professional services	293,432	-	293,432
Trustees' expenses	563	-	563
Administrative and other	162,978	-	162,978
Depreciation and amortization	115,646	-	115,646
TOTAL OPERATING EXPENSES (NOTE 10)	1,373,218	-	1,373,218
GRANTS AWARDED TO OTHER ORGANIZATIONS (NOTE 9)	4,095,726	-	4,095,726
INCOME IN EXCESS OF GRANTS AWARDED, ALLOWANCE FOR LOAN LOSSES AND OPERATING EXPENSES	11,154,382	-	11,154,382
Net realized gain/(loss) on marketable investments (Note 8)	10,506,260	-	10,506,260
Net unrealized gain/(loss) on marketable investments (Note 8)	(12,224,623)	-	(12,224,623)
Net currency remeasurement (losses)/gains (Note 3 and Note 8)	(173,001)	-	(173,001)
DECREASE IN NET ASSETS	9,263,018	-	9,263,018
NET ASSETS, BEGINNING OF YEAR	171,016,066	-	171,016,066
NET ASSETS, END OF THE YEAR	180,279,084	-	180,279,084

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	YEAR ENDED DECEMBER 31, 2022 (\$)	YEAR ENDED DECEMBER 31, 2021 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(31,805,451)	17,672,083
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET CASH USED BY OPERATING ACTIVITIES		
Net realized (gain)/loss on marketable investments	6,606,201	(10,506,260)
Net realized (gain)/loss on sales of non-marketable investments	-	1,345,098
Net unrealized (gain)/loss on marketable investments	27,528,188	12,224,623
Depreciation and amortization	108,021	115,646
Decrease/(Increase) in cash collateral guarantees	-	16,500
Decrease/(Increase) in program related investments, assets	(58,000)	(60,000)
Increase /(Decrease) in program related investments, payables	-	-
Increase /(Decrease) in program related investments, allowance for loan losses	39,000	-
Increase/(Decrease) in grants payable	(228,476)	186,500
Decrease/(Increase) in prepaid expenses	5,986	(4,207)
Increase/(Decrease) in accounts payable and accrued expenses	97,347	8,424
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,292,816	12,589,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable investments	90,996,405	170,983,729
Proceeds from sales of non-marketable investments	-	886,526
Cost of marketable investments purchased	(94,789,315)	(188,985,822)
Cost of fixed assets	-	(25,970)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(3,792,910)	(17,141,537)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,500,094)	(4,552,195)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,363,003	6,915,198
CASH AND CASH EQUIVALENTS, END OF YEAR	862,909	2,363,003

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1. organization

The Romanian-American Foundation (the Foundation or RAF) is a United States (“U.S.”) not-for-profit corporation originally filed in the State of Delaware on October 24, 2008 and thereafter amended and restated in its incorporation on September 29, 2009 pursuant to an agreement between the Romanian-American Investment Foundation [the former Romanian-American Enterprise Fund] (“RAEF” or the “Fund”) and the U.S. Government. The Foundation was formed to advance the purposes of the U.S. Foreign Assistance Act of 1961 and of the U.S. Support for East European Democracy act of 1989 (SEED Act) by building upon the programs established by the Romanian-American Enterprise Fund by furthering the development of the private sector through education, entrepreneurship and private sector philanthropy and volunteerism in Romania. The Foundation shall be operated in perpetuity.

The Foundation is capitalized with an endowment through a grant from the Fund. The Fund paid or transferred to the Foundation certain “RAEF proceeds”, such payments

or transfers constituting in the aggregate the endowment of the Foundation (see Note 4). The original source of the grant funds provided by the Fund to the Foundation is the U.S. Government acting through USAID and the funds provided through the Foundation are therefore a gift from the American people to the citizens of Romania.

The Foundation’s mission is to be an effective leadership organization that strengthens and promotes conditions for a sustainable market economy and a democratic society that provides access to opportunities for all segments of the population in Romania. The Foundation aims to enable people and organizations in Romania to take advantage of the opportunities presented by globalization and membership to the European Union.

The Foundation believes in a more engaged, entrepreneurial, and prosperous society in Romania, in which people think innovatively and responsibly. In the long-term vision of the Foundation: communities are actively engaged in shaping their future; rural economy is a vibrant contributor to Romania; young

people are empowered to become drivers of economic and social progress; innovation is a normal, integral part of day-to-day life and culture; philanthropy becomes a societal value of solidarity and trust. Accordingly, the Foundation allocates its resources to support several main program areas: Initiatives in Education, Technology and Innovation; Philanthropy and Civic Engagement; Rural Economy and Entrepreneurship.

The Foundation uses two approaches to fund its program strategies: grants and program related investments. The Foundation generally seeks an external program manager to execute the objectives of each individual grant, thereby leveraging the Foundation's resources. The Foundation also consider using program related investments, such as loans and repayable grants, to support the cash flow of qualified NGOs or other categories of individuals or organization, which have charitable purposes aligned with the Foundation's mission. The Foundation does not have ownership or control of the external program managers.

The Foundation maintains offices in New York, NY, U.S.A. and in Bucharest, Romania, with the majority of the Foundation's operations performed through its employees in Romania. The Foundation incorporated a Romanian legal entity with its official name Fundatia Romano-Americana ("RAF Romania"). The consolidated financial statements of the Foundation include RAF Romania for the years ended December 31, 2021 and 2022.

2. basis of preparation

The Foundation prepares its consolidated financial statements in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Foundation's consolidated financial statements are reported on a US dollar basis, the Foundation's functional and reporting currency, rounded to the nearest dollar.

In 2017, the Foundation early adopted Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") 2016-14 Not-for Profit Entities (Topic 958) "Presentation

of Financial Statements of Not-for-Profit Entities" that makes several improvements to current reporting requirements.

The Foundation is required to classify information regarding its financial position and activities into two classes of net assets:

Net assets with donor restrictions: Contributions to the Foundation are reported as net assets with donor restrictions if received with donor stipulations that limit the use of the contribution. When a donor restriction expires, i.e., when the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Net assets without donor restrictions: Net assets without donor restrictions are those net assets that are not restricted by donor-imposed stipulations. Pursuant to the Grant Agreement between the Fund and the Foundation (see Note 4), on December 31, 2022 and at December 31, 2021 the entire balances of net

assets received from the Fund are classified as net assets without donor restrictions.

Impact of current economic environment on the activity of the Foundation

On March 11, 2020, the World Health Organization declared that the outbreak of the corona virus ("COVID-19") is a pandemic, and the President of Romania announced a state of emergency on March 16, 2020. Starting 15 May 2020, following the state of emergency, the state of alert was established which involved relaxation to a certain extent of the measures previously taken to control the pandemic, including resuming passenger transportation and allowing certain commercial activities previously restricted to be carried on under certain conditions. The state of alert continued during year 2021 through March 08 2022.

On 24 February 2022, Russia invaded Ukraine in a major escalation of the Russo-Ukrainian War, which began in 2014. The invasion has likely resulted in tens of thousands of deaths on both sides and caused Europe's largest refugee crisis since World

War II, with an estimated 8 million people being displaced within the country. The invasion has also caused global food shortages. Year 2022 saw a rapid increase in food prices and energy prices and shortages of food supplies around the world. The compounding crises in distinct parts of the world was caused by compounding geopolitical and economic crisis. The crises follow food security and economic crises during the COVID-19 pandemic.

The wider economic impacts of these events include: the decrease or the interruption of the commercial operations and of the economic activity in Romania and the United States, with a cascading impact on the supply chains; significant disruptions for companies in certain industries, as well as on export-oriented businesses, with a high dependence on foreign markets - the distressed industries included trade and transportation, travel and tourism, entertainment, production, construction, retail, other than food insurance and education; significant decrease in demand for non-essential goods and services; an increase in economic uncertainty, reflected in more volatile asset prices and foreign exchange rates.

Management has taken actions to address the effects of these events on the activity of the Foundation, agreeing to redirect grants to project-segments of partners affected by the COVID19 outbreak and the Ukraine war. Having reached out to our partner organizations to assure them of our assistance and funding through this unpredictable period, program directors worked with every partner organization, assessing the state of their operations, the ways in which the pandemic and the war in the neighbor country affect programming, trying to gain an understanding of sponsor reactions, and developing strategies for redress.

RAF's Board of Trustees and management are aware of and monitor the volatility of our investment portfolios. We consider the fluctuations within the normal economic cycles of business and did not consider the medium-term average yield of the portfolios to be significantly affected. The Board of Trustees constantly monitor the structure of investments and abide by the Investment Policy. During 2021, the Board of Trustees hired a new investment manager; the investment portfolios were liquidated by the previous managers Alex Brown and

Fund Evaluation Group as of the end of July 2021 and the cash re-invested in August 2021 with the new outsourced chief investment officer SEI Investments Management Corporation and SEI Private Trust Company as the custodian.

3. summary of significant accounting policies

USE OF ESTIMATES

The preparation of the consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ materially from those estimates.

CONSOLIDATION

The operations of the Foundation's Bucharest office are primarily managed through a wholly owned and consolidated subsidiary RAF

Romania. The accompanying consolidated financial statements reflect the consolidation of the accounts of the Foundation and RAF Romania. All material intercompany transactions and balances have been eliminated in consolidation.

INVESTMENTS, AT FAIR VALUE

The Foundation engages professional investment managers who make investment decisions according to the Foundation's investment policy and monitor the Foundation's investments. The Foundation's marketable investments were managed through investment management accounts (the "managed accounts") by Alex Brown - a division of Raymond James and Fund Evaluation Group until July 31, 2021 and by SEI Investments Management Corporation starting 01 August 2021 (the "investment managers").

Interest and dividend income earned and unrealized and realized gains and losses on investments are reported in the consolidated statement of activities (see Note 8 for fair value of investments).



The Foundation's non-marketable investments consisted of ownership interest of RAF in Balkan Accession Fund ("BAF"), a partnership investment organized under the laws of Netherlands Antilles that was liquidated in 2021 (see Note 8).

Investments, at Fair Value, Categorized According to the Fair Value Hierarchy

In 2011 the Foundation adopted Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 820 "Fair Value Measurements". ASC 820 (i) defines fair value, (ii) establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement and (iii) enhances disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in such asset's or liability's principal or most advantageous market, in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. ASC 820 describes three levels of inputs that

may be used to measure fair value:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date;

Level 2: Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value can be determined through the use of models or other valuation methodologies; and

Level 3: Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes its own estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. The inputs into the determination of fair value require significant judgment. Due to inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these assets and liabilities existed.

A financial instrument's level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. The following is a description of the valuation methodology used for the Foundation's investments carried at fair value, including the general classification of such instruments within the valuation hierarchy:

- **Marketable Investments – Public Mutual Funds:** The Foundation's marketable investments consist of public mutual funds – equity and fixed income securities, valued using the NAV provided by the administrator of the investment vehicle. The NAV for public mutual funds is a quoted market price, there are no redemption restrictions and, as such, are classified within Level 1 of the fair value hierarchy.
- **Non-Marketable Investments – Partnership Investments:** The Foundation's non-marketable investments are private investment vehicles valued using the financial information of the partnership and the Foundation's ownership interest. These assets are classified within Level 3 of the valuation hierarchy as there

is no observable data on which to base the valuation.

Investments, at Fair Value, Measured at Net Asset Value

Investments measured at NAV are valued using the NAV of the investment vehicle as a practical expedient. This applies if the investment does not have a readily determinable fair value and the NAV is communicated to the investor (i.e. to RAF), but is not publicly available. The NAV is based on the value of the underlying assets owned by the investment vehicle, minus its liabilities. The fair value of investments valued using NAV represents the portion of the NAV owned by the Foundation, and are comprised of Alternative Investments:

Alternative Investments: These investments are private investments valued using the NAV provided by the investment manager. Underlying investments that are determined by the investment vehicle manager to be illiquid and / or lacking a readily accessible market value are valued using current estimates provided by the investment vehicle manager.

The investment vehicle manager determines valuation inputs and methodologies.

The general policy of the Foundation is to carry the non-marketable investments at cost less provision for estimated impairment losses. The cost less provisions for estimated impairment losses is used to represent the fair values of the investments in the absence of information that would support the need for a lower or higher valuation.

CONCENTRATION OF RISK

The Foundation's marketable investments were held in managed accounts with Alex Brown – a division of Raymond James, and Fund Evaluation Group and since August 2021 with SEI Investments Management Corporation. The managed accounts seek income and capital growth as well as preservation of principal. It is intended to have an average level of risk and may experience moderate levels of volatility, therefore the risk tolerance of the managed accounts is moderate. The Investment Policy Statement (IPS) states a long-term perspective strategic allocation by

asset classes with targets of 80% Total Return Enhancement, 10% Total Inflation Protection, and 10% Total Risk Reduction. The IPS also states acceptable ranges around the strategic allocation for each asset class:

ASSET CLASS	TARGET	ACCEPTABLE RANGES
TOTAL RETURN ENHANCEMENT	80%	60% - 90%
US Equities		20% - 40%
International Equities		10% - 30%
Liquid Credit		0% - 20%
Directional Hedge Funds		0% - 20%
Global Private Assets		0% - 25%
TOTAL INFLATION PROTECTION	10%	0% - 20%
Multi-Strategy Real Assets		0% - 10%
Private Real Estate		0% - 10%
TOTAL RISK REDUCTION	10%	5% - 45%
Core Fixed Income		5% - 35%
Other Risk Reduction Fixed Income		0% - 20%

On a periodic basis, the actual allocation is compared to the strategic allocation and the Finance and Investment Committee of RAF develops a plan of action to rebalance the portfolio in consultation with the investment managers.

The Foundation's non-marketable investments, namely the ownership interest in Balkan Accession Fund (BAF) partnership, was managed by the fund manager (Axxess Capital). On March 31, 2018 BAF started its liquidation procedure and discontinued its registration with Curacao Commercial Register. Upon liquidation, BAF adopted a distribution plan according to which the limited partnership will pay all its debts at short notice and the remaining liquidation balance will be paid to the investors in accordance with the stipulations in the articles of incorporation of the limited partnership. RAF received the last distribution proceeds from BAF during year 2021.

CASH AND CASH EQUIVALENTS

For purposes of the consolidated statements of financial position and of cash flows, the Foundation considers all highly liquid financial instruments purchased with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents include cash held in investment managed accounts.

PROGRAM RELATED INVESTMENTS (PRI)

Program related investments are loans signed with Romanian non-governmental organizations. The PRIs are recorded in the consolidated statements of financial position as assets when loans are approved in accordance with policies set by the Board of Trustees, negotiations have been finalized with the borrower, and the parties have signed the loan agreement. In practice, the Foundation generally disburses loans to borrowers over time, as funds are required to meet certain contractual clauses. As a result, the Foundation also records a PRI

payable when the agreement is signed as such PRIs usually have multiple disbursements.

The loans are presented in the consolidated statements of financial position as assets net of allowance for loan losses. The allowance for loan losses is maintained at a level determined by RAF's management to adequately absorb potential losses that might occur over the contractual life of each loan. This determination is based on the exposure to loss related to specific borrower situations, including their financial position, payment history and collateral values, and other relevant factors and estimates which are subject to change over time.

RAF monitors its program related investments portfolio to outstanding borrowers on a semiannual basis to assess risk in its aggregate portfolio based on loan performance, to identify borrowers that are potentially at risk of default which may require additional monitoring or risk-mitigation actions and to identify borrowers that demonstrate high performance and best practices for the purpose of updating RAF's current underwriting and monitoring processes. These risk ratings provide RAF with a regular and systematic strategy for establishing and adjusting loan loss reserves to ensure they are sufficient and prudent to anticipate potential loan losses and provide for effective portfolio management. In assessing the risk rating the Foundation uses a matrix that specifies the reserves percentages for each risk rating, to be applied against each outstanding loan amount.

RISK RATING	RISK CLASSIFICATION	RESERVE %
1	Low	0%
2	Moderate	5%
3	Average	25%
4	High	50%
5	Workout/Default	100%

Estimating the risk of loss and amount of loss on any loan is subjective and ultimate losses may vary from current estimates. These estimates are reviewed by RAF's management periodically and, as adjustments become necessary, are reported in the periods in which they become known. The allowance for loan losses is increased by provisions for loan losses charged to operations, decreased by recoveries of loans previously provided for in the allowance for loan losses and decreased by write-offs. See Note 9 for Program Related Investments.

SUPPORT AND CONTRIBUTION INCOME

Amounts received from the Fund were conditioned on the Foundation's compliance with the requirements of the RAIF Grant and the SEED Act, which imposes certain U.S. policy objectives and reporting obligations. Such income was recognized as unrestricted contributions when received, as management of the Foundation believed that on receipt it was unlikely those conditions will not be met and that all restrictions on the expenditure of such funds

are for the general purposes and programs of the Foundation.

INTEREST AND DIVIDEND INCOME

Interest and dividend income is recorded in the period in which is earned.

GRANTS EXPENSES AND GRANTS PAYABLE

Grants are recorded as grants expense in the consolidated statements of activities and grants payable in the consolidated statements of financial position when the grant is approved in accordance with policies set by the Board of Trustees, negotiations have been finalized with the grantee, and the parties have signed the grant agreement. In practice, the Foundation generally disburses grants to grantees over time, as funds are required to meet the costs of each program. As a result, the amount recorded as grants expenses in the consolidated statements of activities generally does not equal the amount of grants disbursed by the Foundation in a

fiscal period. See Note 9 for Grants and Grants Payable.

FOREIGN CURRENCY

The functional currency of the Romanian American Foundation is the United States Dollar. The Foundation's transactions are initiated in U.S. dollars and exchanged for Romanian lei and/or EURO ("EUR") only when needed. Revenues and expenses transacted in Romanian lei and/or EURO are re-measured into U.S. dollars at the bank exchange rate resulted from the forex tender. All of the Foundation's Romanian lei and EUR assets and liabilities are re-measured into U.S. dollars at the period's end official National Bank exchange rate. The functional currency of RAF Romania is the Romanian Leu ("RON"). Re-measurement and translation adjustments are reflected in the consolidated statements of activities.

DONATED SERVICES

Members of the Foundation's U.S. Board of Trustees donate significant amounts of their time to the

Foundation's work. No amounts have been reflected in the accompanying consolidated financial statements for such donated services because there is no objective basis available to measure the value of such services.

FIXED ASSETS

Office building and building improvements are recorded at cost. Depreciation of the building is calculated on a straight-line basis over fifteen years, less residual value. Building improvements are amortized on a straight-line basis over their estimated useful lives. Office equipment and capitalized software are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful life of the equipment and software, generally two to five years. Land was recorded at cost based on the market value when received by donation and is not depreciated. Land and building held at cost are periodically tested for impairment.

OPERATING EXPENSES

Employee compensation and benefits, professional services, expenses of Board of Trustees meetings, expenses for travel, lodging and meals incurred in connection with the Foundation's operations and administrative expenses are classified as operating expenses.

4. funding from romanian-american investment foundation "RAIF" (the former romanian-american enterprise fund "RAEF" or "the fund")

The Romanian-American Investment Foundation (RAIF), formerly known as the Romanian-American Enterprise Fund, was created in 1994 by the United States Congress for the purpose of promoting the development of the Romanian private sector. It received \$50 million in funding through the U.S. Agency for International Development (USAID). RAIF pioneered a combination of investment and development activities that proved very successful in the Romanian marketplace.

At the end of its mandate in 2009, RAIF began the processing of liquidating its investment portfolio. It committed to repay \$25 million to the U.S. Treasury as a return of capital. RAIF's Board of Directors, in consultation with USAID, the U.S. Department of States and the U.S. Congress, decided that all remaining proceeds would be granted to the Foundation in order build upon RAIF's work in Romania.

RAIF completed its liquidation in 2018 and filed for dissolution. RAIF contributed a total of \$131,122,684 to the Foundation over the



course of the liquidation and repaid \$25 million to the U.S. Treasury as a return of capital.

5. net assets classification

The Foundation did not hold net assets with donor restrictions as of December 31, 2022 and 2021, either by purpose, time or perpetual in nature. However, there are several self-imposed limits on the use of resources of the Foundation (i.e., Board Designated Endowment Funds).

6. board designated endowment funds or “quasi-endowment”

As required by U.S. GAAP, net assets associated with endowment funds and funds designated by the Board of Trustees to function as endowments (quasi-endowment), are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation’s endowment consists of funds designated by the Board of Trustees to function as endowments or the

“quasi-endowment”. The governing documents of the Foundation allow the governing board to appropriate so much of an endowment fund as is prudent considering the following relevant factors: the duration and preservation of the endowment fund, the purposes of the Foundation, general economic conditions, the possible effect of the inflation or deflation, the expected total return from income and the appreciation of investments, the Foundation’s other resources, and the Foundation’s investment policy.

The Board of Trustees of RAF decides on the quasi-endowment funds, i.e. on appropriation of funds to either increase or decrease the quasi-endowment and on the cash held or repositioned for further investments, as well as on capital expenditures and on funds appropriated for the following year operating budget; remaining net assets are Undesignated net assets. The Foundation’s Board of Trustees approve the annual operating budgets, the annual capital expenditures and its related cash-flows projections and plan for annual withdrawals from quasi-endowment funds to assure the necessary liquid funds (Note 7).

Endowment Net Assets Composition by Type of Fund (*all Without Donor Restrictions*) as of December 31, 2022 and 2021:

ENDOWMENT NET ASSETS	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
QUASI-ENDOWMENT FUNDS		
Investment Managed Funds, marketable investments	145,623,168	175,964,645
Investment Managed Funds, cash	-	2
TOTAL QUASI-ENDOWMENT	145,623,168	175,964,647
DONOR-RESTRICTED ENDOWMENT FUNDS	-	-
TOTAL ENDOWMENT	145,623,168	175,964,647

Changes in Endowment Net Assets (*all Without Donor Restrictions*) for the Fiscal Years Ended December 31, 2022 and 2021:

ENDOWMENT NET ASSETS	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
QUASI-ENDOWMENT NET ASSETS, BEGINNING OF YEAR	175,964,647	166,928,910
Disposition of marketable investments	90,996,405	170,983,729
Proceeds from sale of non-marketable investments	-	2,231,624
Net realized gain/(loss) on sale of non-marketable investments	-	(1,345,098)
Purchase of marketable investments	(94,789,315)	(171,000,057)
Net realized gain / (loss) on marketable investments	(6,606,201)	10,506,260
Net unrealized appreciation (depreciation) on marketable investments	(27,528,188)	(12,224,623)
Net unrealized appreciation (depreciation) on non-marketable investments	-	(2,231,624)
Interest and dividend income, net, on a cash basis	8,542,911	17,985,764
Contributions i.e. cash reinvested	3,792,909	16,288
Appropriation of endowment assets for expenditure (i.e. cash withdrawn)	(4,750,000)	(5,886,526)
QUASI-ENDOWMENT NET ASSETS, END OF YEAR	145,623,168	175,964,647

The Foundation has adopted an investment policy and a spending model for its quasi-endowment assets that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the quasi-endowment assets are invested in a manner in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The expected return objective of the Foundation's investment portfolio is to achieve a total return, net of fees, equal to or greater than spending, administrative fees, and inflation. RAF expects its quasi-endowment funds, over time, to provide an average rate of return higher than 4.5% percent over CPI annually. RAF seeks to outperform its return target over full market cycles and does not expect that all investment objectives will be attained in each year; actual returns

in any given year may vary from this amount. For this reason, investment results achieved are reviewed with 1-, 3-, 5-, and 7-year time horizons.

The annual spending of the Foundation supports both administrative and operational expenses which include grants and Program Related Investments. Generally, the Foundation seeks not to exceed a current annual draw rate from its endowment of 4.5% multiplied by the average of the prior twelve quarter-ending portfolio values. The Board of Trustees sets the spending policy with input from the Finance and Investment Committee. Spending is reviewed annually by the Board of Trustees and adjusted as appropriate according to the needs of the Foundation, the current market climate and opportunities arisen for RAF to expand its mission.

7. liquidity and availability of financial assets

The Foundation's working capital and cash flows have annual variations attributable to the annual budgets approved by the Board of Trustees and financed through cash receipts from sale of investments and from return on investments. To manage liquidity the Foundation plans annual withdrawals from board-designated endowment funds according to the budgets and its related cash flows projections approved by the Board of Trustees. See Note 6 for disclosing the spending policy and Note 9 for disclosing grant awards and program related investments disbursements. Although RAF does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, additional amounts from its quasi-endowment could be made available with the governing board approval, if necessary.



FINANCIAL ASSETS, AT YEAR END	DECEMBER 31, 2022	DECEMBER 31, 2021
Marketable Investments, at fair value	145,623,168	175,964,645
Non-marketable Investments, at fair value	-	-
Cash and cash equivalents	862,909	2,363,003
Cash restricted in bank deposits as collateral for student loans guarantee	-	-
Program Related Investments committed, net of allowance for loan losses	234,000	215,000
Program Related Investments, payable		
TOTAL FINANCIAL ASSETS, AT YEAR END	146,720,077	178,542,648
Less those unavailable for general expenditures within one year, due to:		
Program Related Investments, net receivables	(234,000)	(215,000)
Board Designations for Quasi-Endowment:		
Marketable & Non-marketable Investments	(145,623,168)	(175,964,645)
Cash held in investment managed accounts	-	(2)
Cash set-aside for investments in following year	-	-
FINANCIAL ASSETS AVAILABLE AT BALANCE SHEET DATE	862,909	2,363,001
Add back amounts available for expenditure in following year, i.e. amounts to be withdrawn from quasi-endowment as per Board approval	6,500,000	5,000,000
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR EXPENDITURES WITHIN ONE YEAR	7,362,909	7,363,001

The Foundation had \$146,720,077 in financial assets as of December 31, 2022, reduced by amounts not available for general use within one year because of internal designations. Assets available include the Board approved appropriation from the quasi-endowment invested managed funds for the following year of \$6,500,000 and cash in operating bank accounts of \$862,909 as of December 31, 2022, for a total available financial asset of \$7,362,909.

As of December 31, 2022, the Foundation held cash and cash equivalents of \$100,356 with two large United States commercial banking institutions and \$759,370 with one large European commercial banking institution, which includes cash held in foreign currencies (RON and EUR) valued at \$231,765 and the remaining are in USD. In addition, as of December 31, 2022, the Foundation held petty cash valued at \$3,184, out of which cash in foreign currencies (RON and EUR) valued at \$3,184.

8. investments at fair value

See Note 3 "Investments at Fair Value" for a presentation of the basis for determining the fair value of the Foundation's investments. The cost and fair value of the Foundation's investments at December 31, 2022 and 2021, as well as the accumulated unrealized gains (losses) and net realized gains (losses) for the years ended December 31, 2022 and 2021 are presented in the tables below:

Investments as of December 31, 2022

MARKETABLE INVESTMENTS:	COST (\$)	FAIR VALUE (\$)	ACCUMULATED UNREALIZED GAINS (LOSSES) (\$)	REALIZED GAINS (LOSSES) (\$)
Mutual Funds – Equity	112,307,411	80,962,207	(31,345,204)	(7,552,011)
Mutual Funds – Fixed Income	32,081,929	26,227,463	(5,854,466)	(831,852)
Mutual Funds – Other	19,674,989	16,863,900	(2,811,089)	1,777,662
Alternative Investments	21,311,650	21,569,598	257,948	-
	185,375,979	145,623,168	(39,752,811)	(6,606,201)

Investments as of December 31, 2021

MARKETABLE INVESTMENTS:	COST (\$)	FAIR VALUE (\$)	ACCUMULATED UNREALIZED GAINS (LOSSES) (\$)	REALIZED GAINS (LOSSES) (\$)
Mutual Funds – Equity	135,294,250	122,965,420	(12,328,830)	10,791,966
Mutual Funds – Fixed Income	36,790,718	36,016,828	(773,890)	(102,084)
Mutual Funds – Other	16,104,300	16,982,397	878,097	(203,863)
Tax costs adjustments and wash sales	-	-	-	20,241
Non-Marketable Investments: Partnership investments	-	-	-	(1,345,098)
	188,189,268	175,964,645	(12,224,623)	9,161,162

The unrealized gains (losses) on investments for the years-ended December 31, 2021 and 2022 are presented in the table below:

	ACCUMULATED UNREALIZED GAINS (LOSSES) AS OF DECEMBER 31, 2021	UNREALIZED GAINS (LOSSES) FOR THE YEAR ENDED DECEMBER 31, 2022	ACCUMULATED UNREALIZED GAINS (LOSSES) AS OF DECEMBER 31, 2022
Mutual Funds – Equity	(12,328,830)	(19,016,374)	(31,345,204)
Mutual Funds – Fixed Income	(773,890)	(5,080,576)	(5,854,466)
Mutual Funds – Other	878,097	(3,689,186)	(2,811,089)
Alternative Investments	-	257,948	257,948
	(12,224,623)	(27,528,188)	(39,752,811)



Set forth in the table below are the Foundation's investments as of December 31, 2022 and 2021, at fair value on a recurring basis, by the hierarchy levels described in Note 3:

Investments as of December 31, 2022

	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	MEASURED AT NET ASSET VALUE	TOTAL
Mutual Funds – Equity	80,962,207	-	80,962,207
Mutual Funds – Fixed Income	26,227,463	-	26,227,463
Mutual Funds – Other	16,863,900	-	16,863,900
Alternative investments	-	21,569,598	21,569,598
	124,053,570	21,569,598	145,623,168
% TOTAL	85%	15%	100%

Investments as of December 31, 2021

	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
Mutual Funds – Equity	122,965,420	-	-	122,965,420
Mutual Funds – Fixed Income	36,016,828	-	-	36,016,828
Mutual Funds – Other	11,201,029	5,781,368	-	16,982,397
	\$170,183,277	\$5,781,368	\$0	\$175,964,645
% TOTAL	97%	3%	0%	100%

During fiscal year 2022 the Foundation sold the investment in Marshal Wace Eureka Fund classified as a Level 2 with a fair value of \$5,781,368 as of December 31, 2021. The sale price was \$5,695,482 and the realized gain was \$1,695,482 versus the tax cost of \$4,000,000.

In accordance with its Limited Partnership Agreement, on termination date, i.e. March 31, 2018, BAF was dissolved and appointed the General Partner BAMC NV as its liquidator. The General Partner submitted to the Limited Partners (RAF is a 36.36% interest limited partner) the plan regarding the liquidation of BAF starting at the termination date. According to the

plan the remaining invested portfolio companies were expected to be exited in approximately two years and so the liquidation process of BAF would be fully completed during the year 2021. During fiscal year 2021 RAF received the final tranche of hurdle amounts from BAF of EUR 727,200 or USD 886,526 equivalent and recorded realized losses from sale of non-marketable investments of \$1,345,098.

Presented in the table below is information about the Foundation's investments valued using the NAV of the investment vehicle as a practical expedient, categorized by investment strategy, as of December 31, 2022:

ALTERNATIVE INVESTMENTS:	FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Diversified strategy of property funds	9,062,482	-	Quarterly	95 days (1)
Multi-strategy, hedge funds of funds	8,776,674	-	Semi-annual	95 days (2)
Diversified strategy of private equity funds	3,730,442	32,488,350	Not able to redeem	Not applicable (3)
TOTAL	21,569,598	32,488,350		

1. Diversified strategy of property funds: This category includes SEI Core Property Fund LP which seeks both current income and long-term capital appreciation principally through investing in pooled investment vehicles that invest in commercial real estate properties and are managed by underlying investment managers.
2. Multi-strategy, hedge funds of funds: This category includes SEI Special Situations Fund LTD which seeks to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. The fund will pursue its investment objective by investing primarily in Underlying Funds, consisting primarily of hedge funds, while also opportunistically making other investments.
3. Diversified strategy of private equity funds: This category includes SEI Secondary Opportunity Fund I LP and SEI Global Private Assets VI LP which seeks to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and

selection of a set of private assets managers that manage Underlying funds across a broad spectrum of venture capital, buyouts, debt, real estate, and real asset / infrastructure investments. The Foundation has committed to invest \$36.2 million in these funds, \$18.1 million to each, and, at December 31, 2022, the Foundation's remaining commitment to SEI Secondary Opportunity Fund I LP was \$15,337,485 and to SEI Global Private Assets VI LP was \$17,150,865.

Income from investments

Included in the amount of \$8,459,134 reported as "Interest and dividend income, net" in the consolidated statements of activities for the year ended December 31, 2022 is interest and dividend income and long-term and short-term capital gains received from the investments, net after custodial and investment management fees of \$521,508. In addition to the custodial and investment management fees charged to the investment account there were SEI sub-advisors fees of \$229,955 taken directly from funds.

Included in the amount of \$17,968,338 reported as "Interest and dividend income, net" in the consolidated statements of activities for the year ended December 31, 2021 is interest and dividend income and long-term and short-term capital gains distributions received from the investments, net after custodial and investment management fees of \$404,040. In addition to the custodial and investment management fees charged to the investment account there were SEI sub-advisors fees of \$93,607 taken directly from funds. Interest earned on operating bank accounts as of the year ended December 31, 2021 was \$86.

Included in the amount reported as realized loss on sales of investments in the consolidated statements of activities for the year ended December 31, 2021 is \$1,345,098 that represents the loss recorded after the last hurdle amounts have been received from Balkan Accession Fund as distribution of proceeds from BAF liquidation.

9. grants awarded and program related investments

For the year ended December 31, 2022 the Foundation signed 40 new grant agreements and amended 31 grant agreements signed in previous years for a total of \$4,199,899 grant awards in the focus areas of education, technology innovation, entrepreneurship and community development and civil society. During 2022 the Foundation reversed \$21,775 of previous years contracted grant awards as the funds were not entirely used by recipients and subsequently cancelled, the grants awarded during the year and recorded through the consolidated statement of activities amounting to \$4,178,124. The net grants disbursed during the year ended December 31, 2022 consisted of \$4,406,600 and the outstanding signed grant agreements not yet disbursed until year end amounted to \$1,182,186.

As of December 31, 2022 the Program Related Investments ("PRIs") consisted of \$273,000 committed funds in loans signed with 3 Romanian non-governmental organizations as non-bearing interest loans that are



disbursed to the borrowers in multiple tranches. As of December 31, 2022 there were no loan tranches due to the borrowers. During 2022 the Foundation signed three PRI loans for a total of \$98,000 and disbursed \$98,000. During 2022 the Foundation collected \$40,000 as repayments of loans. Repayments of loans were made according to the repayment schedules and there were no past dues recorded as of December 31, 2022. The total outstanding principal balance of the PRIs was \$234,000 as of December 31, 2022, net of allowance for loan losses of \$39,000.

Changes in RAF's allowance for loan losses for the year ended December 31, 2022 were as follows:

BALANCE, DECEMBER 31, 2021	\$0
Additional provision charged to operations	39,000
Recoveries of loans previously provided for in allowance for loan losses	(0)
Loans written-off	(0)
BALANCE, DECEMBER 31, 2022	\$39,000

For the year ended December 31, 2021 the Foundation signed 23 new grant agreements and amended 40 grant agreements signed in previous years for a total of \$4,114,390 grant awards

in the focus areas of education, technology innovation, entrepreneurship and community development and civil society. During 2021 the Foundation reversed \$18,664 of previous years contracted grant awards as the funds were not entirely used by recipients and subsequently cancelled, the grants awarded during the year and recorded through the consolidated statement of activities amounting to \$4,095,726. The net grants disbursed during the year ended December 31, 2021 consisted of \$3,909,226

and the outstanding signed grant agreements not yet disbursed until year end amounted to \$1,410,662.

As of December 31, 2021 the Program Related Investments ("PRIs") consisted of \$215,000 committed funds in loans signed with two Romanian non-governmental organizations as non-bearing interest loans that are disbursed to the borrowers in multiple tranches. As of December 31, 2021 there were no loan tranches due to the borrowers. During 2021 the Foundation signed one PRI loan of \$195,000 and disbursed \$195,000. During 2021 the Foundation collected \$135,000 as repayments of loans. The total outstanding principal balance of the PRIs was \$215,000 as of December 31, 2021. Repayments of loans were made according to the repayment schedules and there were no past dues recorded as of December 31, 2021.

10. statement of functional expenses and expense allocation

The Foundation's consolidated financial statements as of December 31, 2022 and 2021 report certain categories of expenses that are attributable to more than one program or supporting function. Therefore these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, occupancy, other office administrative expenses which are allocated on a square-footage basis as well as employees' compensation and benefits which are allocated on the basis of estimates of time and effort.

The following table presents the functional expenses for the year ended December 31, 2022.

	PROGRAM ACTIVITIES				SUPPORTING ACTIVITIES	
	EDUCATION, TECHNOLOGY & INNOVATION (\$)	PHILANTHROPY, COMMUNITY DEVELOPMENT AND CIVIC ENGAGEMENT (\$)	RURAL ECONOMY AND ENTREPRENEURSHIP (\$)	PROGRAMS SUBTOTAL (\$)	MANAGEMENT AND GENERAL EXPENSES (\$)	TOTAL EXPENSES (\$)
Employee salaries, taxes and benefits	220,039	125,684	162,675	508,398	164,375	672,773
Employee business expenses	22,685	9,873	11,246	43,803	4,377	48,180
Occupancy expenses	81,656	34,477	47,179	163,313	18,146	181,459
Professional fees	367,254	18,011	25,389	410,653	74,886	485,539
Trustees' expenses	-	-	-	-	160,549	160,549
Other general and administrative	68,504	31,093	40,373	139,970	44,460	184,430
Depreciation	48,609	20,524	28,085	97,219	10,802	108,021
TOTAL OPERATING EXPENSES	808,747	239,662	314,947	1,363,356	477,595	1,840,951
Grants awarded to other organizations	1,546,134	1,042,658	1,589,332	4,178,124	-	4,178,124
Allowance for loan losses	-	-	39,000	39,000	-	39,000
TOTAL EXPENSES	2,354,881	1,282,320	1,943,279	5,580,480	477,595	6,058,075

The following table presents the functional expenses for the year ended December 31, 2021.

	PROGRAM ACTIVITIES				SUPPORTING ACTIVITIES	
	EDUCATION, TECHNOLOGY & INNOVATION (\$)	PHILANTHROPY, COMMUNITY DEVELOPMENT AND CIVIC ENGAGEMENT (\$)	RURAL ECONOMY AND ENTREPRENEURSHIP (\$)	PROGRAMS SUBTOTAL (\$)	MANAGEMENT AND GENERAL EXPENSES (\$)	TOTAL EXPENSES (\$)
Employee salaries, taxes and benefits	226,406	152,279	90,005	468,690	164,949	633,639
Employee business expenses	21,527	5,754	5,291	32,571	1,289	33,860
Occupancy expenses	75,132	31,722	43,409	150,264	16,696	166,960
Professional fees	104,072	18,304	79,670	202,046	91,386	293,432
Trustees' expenses	-	-	-	-	563	563
Other general and administrative	43,233	21,593	25,697	90,523	38,595	129,118
Depreciation	52,041	21,973	30,068	104,081	11,565	115,646
TOTAL OPERATING EXPENSES	522,410	251,625	274,140	1,048,175	325,043	1,373,218
Grants awarded to other organizations	1,655,468	1,419,809	1,020,449	4,095,726	-	4,095,726
TOTAL EXPENSES	2,177,878	1,671,434	1,294,589	5,143,901	325,043	5,468,944



10. property, net

As of December 31, 2022 and 2021, net property consisted of:

AS OF DECEMBER 31, 2022	COST (\$)	ACCUMULATED DEPRECIATION/ AMORTIZATION (\$)	NET BOOK VALUE (\$)
Land	537,273	-	537,273
Office building and improvements	3,741,550	1,099,636	2,641,914
Automobiles, furniture and equipment	225,350	225,205	145
Software	-	-	-
TOTAL	4,504,173	1,324,841	3,179,332

AS OF DECEMBER 31, 2021	COST (\$)	ACCUMULATED DEPRECIATION/ AMORTIZATION (\$)	NET BOOK VALUE (\$)
Land	537,273	-	537,273
Office building and improvements	3,741,550	995,239	2,746,311
Automobiles, furniture and equipment	309,725	305,956	3,769
Software	-	-	-
TOTAL	4,588,549	1,301,195	3,287,353

During 2022 the Foundation wrote-off from its records a series of fixed assets scrapped consisting of old computers and server components that have been fully depreciated in previous years. The cost value of these scrapped assets and their related depreciation was \$84,375.

12. contingencies

During fiscal year 2019, RAF sued in Romanian courts one of its neighbors who started to demolish a building jointed to RAF office building in Bucharest, Romania. RAF claimed in court that the owner of the demolished building should stop the demolition process and should protect RAF building's walls exposed to rain and snow falls. RAF won all the initial cases in court and the demolishing process was stopped by the judge. As of December 31, 2019 the owner of the demolished building initiated a reconciliation procedure with RAF expressing its intent to proceed and execute the protective works to RAF building. During fiscal year 2020 the reconciliation procedure did not conclude with any agreement between parties. RAF initiated by its own costs the protective construction works to its building in July 2020, finished all such works by October 31, 2020 and claimed in court related costs in an aggregate amount equivalent of USD 180,000. As of December 31, 2022 there were no court decisions that would entitle RAF to receive any of such claims and the litigation pro-

cedure continued by following the appropriate legal actions in Romanian courts.

13. related party transactions

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or are part of the same group of affiliated companies under common control. During the fiscal years 2022 and 2021 the Foundation has not been involved in any transaction with related parties.

14. tax status

UNITED STATES

The Foundation is exempt from U.S. Federal income taxes under the provisions of Section 501(c)(4) of the Internal Revenue Code. In addition, the Foundation is exempt from payments of state and local income taxes in the U.S.

ROMANIA

RAF Romania is a Romanian not-for-profit legal entity and is not required to pay corporate income tax according to Romanian tax laws, as it does not perform economic activities.

15. subsequent events

The Foundation has evaluated subsequent events through May 10, 2023, the date the consolidated financial statements were authorized to be issued and has determined there were no additional events requiring consideration as adjustments to the consolidated financial statements for the year ended December 31, 2022.

As of May 10, 2023 the Foundation withdrew \$2,000,000 from its investment managed accounts at SEI Investments Management Corporation as a quasi-endowment decrease to cover its expenditures in fiscal year 2023.

