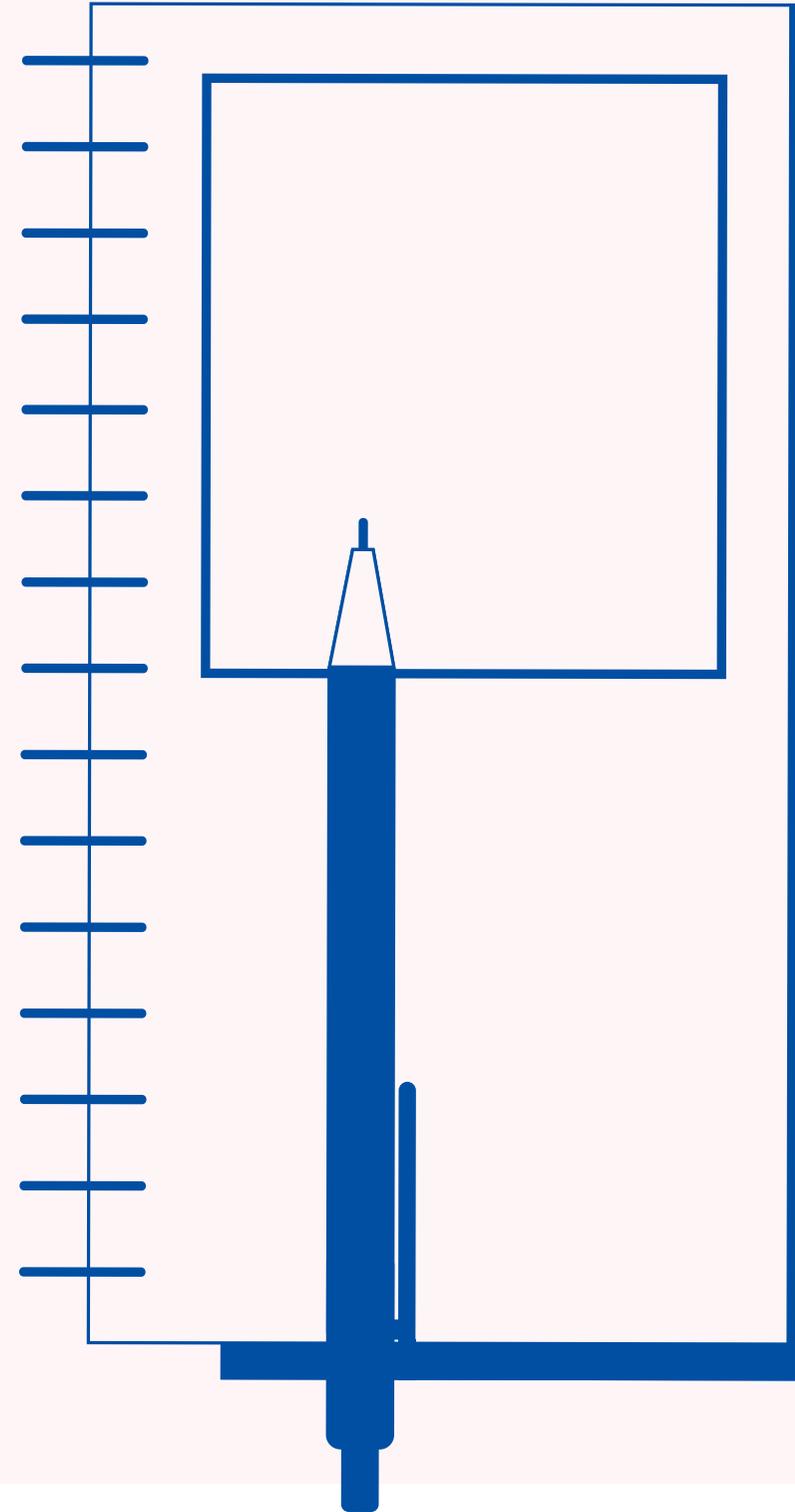




ROMANIAN – AMERICAN FOUNDATION (“RAF”)

CONSOLIDATED FINANCIAL STATEMENTS

as of and for the years ended
December 31, 2024 and 2023



INDEPENDENT AUDITORS' REPORT

consolidated statements of financial position

as of December 31, 2024 and 2023

consolidated statements of activities

for the years ended December 31, 2024 and 2023

consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

notes to the consolidated financial statements

for the years ended December 31, 2024 and 2023





CONSOLIDATED STATEMENTS OF

FINANCIAL POSITION

consolidated statements of financial position

as of December 31, 2024 and 2023

2

consolidated statements of activities

for the years ended December 31, 2024 and 2023

consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

notes to the consolidated financial statements

for the years ended December 31, 2024 and 2023

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

ASSETS	DECEMBER 31, 2024 (\$)	RAF OLD & RAF NEW, INC. COMBINED 2023 (\$)
Marketable Investments, at fair value (Notes 3 and 8):		
Public Mutual Funds – Equity	97,238,905	84,582,446
Public Mutual Funds – Fixed Income	16,405,376	28,106,423
Public Mutual Funds – Other	21,902,449	19,997,823
Alternative Investments	34,943,338	25,522,295
Cash and cash equivalents (Notes 3 and 7)	1,005,216	1,039,294
Program related investments - loans committed, net of allowance for loan losses (Notes 3 and 9)	1,227,468	841,688
Prepaid expenses and other assets	14,660	5,004
Fixed Assets, net (Note 11)	2,975,803	3,078,595
TOTAL ASSETS	175,713,215	163,173,568
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	269,476	263,939
Program related investments - loans payable (Notes 3 and 9)	250,000	350,000
Grants payable (Notes 3 and 9)	1,537,880	1,234,479
TOTAL LIABILITIES	2,057,356	1,848,418
NET ASSETS (NOTE 5)		
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board Designated Endowment Fund (Note 6)	170,490,087	158,209,012
Fixed Assets, Net (Note 11)	2,975,803	3,078,595
Undesignated (Notes 5 and 6)	189,969	37,543
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	173,655,859	161,325,150
TOTAL LIABILITIES AND NET ASSETS	175,713,215	163,173,568

The consolidated financial statements were issued for approval on June 05, 2025, by Bogdan Giurginca, Chief Financial Officer

CONSOLIDATED STATEMENTS OF

ACTIVITIES

consolidated statements of financial position

as of December 31, 2024 and 2023

consolidated statements of activities

for the years ended December 31, 2024 and 2023

consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

notes to the consolidated financial statements

for the years ended December 31, 2024 and 2023

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

	DECEMBER 31, 2024 (\$)	RAF OLD & RAF NEW, INC. COMBINED 2023 (\$)
CHANGES IN NET ASSETS		
INCOME		
Interest and dividend income, net (Note 8)	14,476,259	5,867,899
TOTAL INCOME	14,476,259	5,867,899
EXPENSES		
Employee compensation and benefits	939,837	851,895
Occupancy expenses	193,300	209,388
Professional services	748,842	782,340
Trustees' expenses	168,578	188,719
Administrative and other expense	297,066	227,144
Depreciation and amortization	102,792	104,239
TOTAL OPERATING EXPENSES (NOTE 10)	2,450,415	2,363,725
GRANTS CONTRACTED TO OTHER ORGANIZATIONS (NOTE 9)	4,521,185	4,500,787
PROGRAM RELATED INVESTMENTS (DECREASE) / INCREASE OF ALLOWANCE FOR LOAN LOSSES (NOTE 9)	-	(4,328)
(DEFICIT) / INCOME IN EXCESS OF GRANTS CONTRACTED, DONATIONS MADE, ALLOWANCE FOR LOAN LOSSES AND OPERATING EXPENSES	7,504,659	(992,285)
Net realized loss on marketable investments (Note 8)	(3,476,067)	(3,450,160)
Net unrealized gain / (loss) on marketable investments (Note 8)	8,308,106	17,290,289
Net currency remeasurement (losses) / gains (Notes 3 and 8)	(5,989)	3,673
INCREASE / (DECREASE) IN NET ASSETS	12,330,709	12,851,517
NET ASSETS, BEGINNING OF YEAR	161,325,150	148,473,633
NET ASSETS, END OF THE YEAR	173,655,859	161,325,150

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CONSOLIDATED STATEMENTS OF

CASH FLOWS

consolidated statements of financial position

as of December 31, 2024 and 2023

4

consolidated statements of activities

for the years ended December 31, 2024 and 2023

consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

notes to the consolidated financial statements

for the years ended December 31, 2024 and 2023

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

DECEMBER 31,
2024 (\$)

RAF OLD & RAF NEW, INC.
COMBINED 2023 (\$)

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	12,330,709	12,851,517
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ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET CASH USED IN OPERATING ACTIVITIES

Net realized loss on marketable investments	3,476,067	3,450,160
Net unrealized (gain) / loss on marketable investments	(8,308,106)	(17,290,289)
Depreciation and amortization	102,792	104,239
Increase in program related investments, assets	(385,780)	(603,360)
Increase / (Decrease) in program related investments, payables	(100,000)	350,000
Increase / (Decrease) in program related investments, allowance for loan losses	-	(4,328)
Increase / (Decrease) in grants payable	303,401	52,293
Decrease / (Increase) in prepaid expenses	(9,656)	(3,899)
Increase / (Decrease) in accounts payable and accrued expenses	5,537	19,244
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	7,414,964	(1,074,423)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of marketable investments	34,717,966	19,724,811
Cost of marketable investments purchased	(42,167,008)	(18,470,501)
Cost of fixed assets	-	(3,502)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(7,449,042)	1,250,808
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,078)	176,385
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,039,294	862,909
CASH AND CASH EQUIVALENTS, END OF YEAR	1,005,216	1,039,294

The consolidated financial statements were issued for approval on June 05, 2025, by Bogdan Giurginca, Chief Financial Officer

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

consolidated statements of financial position

as of December 31, 2024 and 2023

consolidated statements of activities

for the years ended December 31, 2024 and 2023

consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

notes to the consolidated financial statements

for the years ended December 31, 2024 and 2023

1. ORGANIZATION

The initial organization Romanian-American Foundation ("RAF Old") was 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. RAF Old 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.

RAF Old was capitalized with an endowment through a grant from the Fund. The Fund paid or transferred to RAF Old certain "RAEF proceeds", such payments or transfers constituting in the aggregate the endowment of RAF Old (see Note 4). The original source of the grant funds provided by the Fund to RAF Old is the

U.S. Government and the funds provided through RAF Old are therefore a gift from the American people to the citizens of Romania.

RAF New, Inc. was a U.S. not-for-profit corporation incorporated in the State of Delaware on June 23, 2023, with the same management and Board of Trustees as RAF Old, therefore under common control with RAF Old. The purposes for which RAF New, Inc. was formed were to take over the operations of RAF Old as a 501(c)(4) organization. RAF Old was originally registered with the IRS as a 501(c)(3) organization. In 2017, RAF Old self-declared itself to the IRS as a 501(c)(4) organization and submitted fiscal declarations (form 990) on that basis from that time forward. However, this change was never properly reflected in the IRS' Business Master File, with the result that RAF Old has been unable to make electronic filings of its form 990. In order to address this situation, and to ensure that the Business Master File reflects the correct tax classification, RAF New, Inc was set-up directly as a 501(c)(4) non-profit organization, with the view to merge with RAF Old and continue the charitable operations in the same manner as before. On January 01, 2024 RAF Old signed a merger agreement with RAF New, Inc.





The Certificate of Merger was issued on January 01, 2024, the time when the merger became effective and the surviving entity to continue the activity is RAF New, Inc. By the effect of the merger all assets, property, rights and liabilities belonging to RAF Old passed on to RAF New, Inc. as the surviving company. RAF Old, the old not-for-profit entity foundation ceased to exist at the effective time of January 01, 2024 and all its activities and its objectives were transferred to RAF New, Inc at their net carrying value. The surviving foundation of the merger between RAF New, Inc. and RAF Old was named "Romanian-American Foundation" or "RAF".

RAF'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. RAF aims to enable people and organizations in Romania to take advantage of the opportunities presented by globalization and membership to the European Union. RAF believes in a more engaged, entrepreneurial, and prosperous society in Romania, in which people think innovatively and responsibly. In the long-term vision of RAF: 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, RAF allocates its resources to support several main program areas: Initiatives in Education, Technology and Innovation; Philanthropy and Civic Engagement; Rural Economy and Entrepreneurship.

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

RAF maintains offices in New York, NY, U.S.A. and in Bucharest, Romania, with the majority of its operations performed through its employees in Romania. RAF controls the Romanian legal entity, incorporated with its official name Fundatia Romano-Americana ("RAF Romania"). The combined financial statements of RAF Old and RAF New, Inc. for the year ended December 31, 2023 and the consolidated financial statements of RAF for the year ended December 31, 2024 include RAF Romania.

2. BASIS OF PREPARATION

The consolidated financial statements of RAF include its subsidiary RAF Romania for the year ended December 31, 2024. All these financial statements have been prepared under US GAAP.

Comparatives for the financial year 2023 were restated in accordance with ASC 805-50-45-5, in order to present the combined results of RAF New and RAF Old from the date common control was achieved, to December 31, 2023. These combined comparatives include the consolidated financial statements of RAF New, RAF Old and its subsidiary RAF Romania for the year ended December 31, 2023.

The procedures by which the combined financial statements of RAF Old and RAF New, Inc were prepared for year 2023 are the normal consolidation procedures, namely:

- settlements and transactions between RAF Old and RAF New, Inc. were eliminated in the combination process;
- remaining assets, liabilities, items of income and expenses were added line by line.

The consolidated and the combined financial statements are reported on a US dollar basis, the functional and reporting currency of RAF, RAF Old and RAF New, Inc., rounded to the nearest dollar.

RAF, RAF Old and RAF New, Inc. (the “Foundations”) 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 Foundations are required to classify information regarding their financial position and activities into two classes of net assets:

Net assets with donor restrictions:

Contributions to the Foundations 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. On December 31, 2023 the entire balance of net assets of both Foundations are classified as net assets without donor restrictions.

Impact of current economic environment on the activity of the Foundation

The Foundation considers that the international measures taken in the context of the conflict between the Russian Federation and Ukraine and the inflationary pressure created will not affect its activity. The Foundation does not have business relations with suppliers residing in the two states, potentially being affected by the international measures or by the events occurred.

Management has taken actions to address the effects of these events on the activity of the Foundation. 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 their programs have been affected, trying to gain an understanding of sponsor reactions, and developing strategies for redress.

The Foundation does not consider that the political and fiscal uncertainty existing in the United States of America observed in the first months of 2025 will affect its activities. Management constantly monitors geopolitical and macroeconomic evolution to anticipate potential effects on its own operations.

The Foundation'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 monitors the structure of investments and abides by the Investment Policy.

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 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 RAF's Bucharest office are primarily managed through a wholly owned and consolidated subsidiary RAF Romania. RAF's consolidated financial statements reflect the consolidation of the accounts of RAF and RAF Romania. All material intercompany transactions and balances have been eliminated in consolidation.





8

Investments, at fair value

RAF engages professional investment managers who make investment decisions according to RAF's investment policy and monitor RAF's investments. RAF's marketable investments were managed through investment management accounts (the "managed accounts") by SEI Investments Management Corporation (the "investment manager") starting 01 August 2021.

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

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

Since inception RAF 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. Inputs into the determination of fair value require significant judgment. Due to the 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:** RAF'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:** RAF's non-marketable investments are private investment vehicles valued using the financial information of the partnership and RAF'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 RAF 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 RAF 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

RAF's marketable investments were held in managed accounts 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.

Cash and cash equivalents

For the purposes of the statements of financial position and of cash flows, RAF consider 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, RAF generally disburses loans to borrowers over time, without interest or other costs, as funds are required to meet certain contractual clauses. As a result, RAF also records a PRI payable when the agreement is signed as such PRIs could have multiple disbursements.





The loans are presented in the 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 effective portfolio management. In assessing the risk rating RAF 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	10%
4	High	20%
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 by RAF Old from the Fund were conditioned on RAF'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 RAF 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 RAF.

Interest and dividend income

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

Grants expenses and grants payable

Grants are recorded as grants expense in the statements of activities and grants payable in the 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 (i.e. the parties contracted the grant). In practice, RAF 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 expense in the statements of activities generally does not equal the amount of grants disbursed by RAF in a fiscal period. See Note 9 for Grants and Grants Payable.

Foreign currency

The functional currency of the Foundations is the U.S. dollar. The 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 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 property improvements are recorded at cost. Depreciation of the building is calculated on a straight-line basis over fifteen years, less residual value. Property 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 buildings held at cost are periodically tested for impairment; the building is amortized over 15 years on a straight-line basis, after the salvage value of \$2,213,590 is deducted.

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 RAF Old in order to 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 RAF Old over the course of the liquidation and repaid \$25 million to the U.S. Treasury as a return of capital.

5. NET ASSETS CLASIFICATION

The Foundation did not hold net assets with donor restrictions as of December 31, 2024 and 2023 either by purpose, time or perpetual in nature. However, there are several self-imposed limits on the use of resources of RAF (i.e., Board Designated Endowment Funds). Undesignated net assets are also net assets without donor restrictions and represent net assets that are not classified as Board Designated Endowment Funds or "quasi-endowment".

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.

RAF’s endowment consists of funds designated by the Board of Trustees to function as endowments or the “quasi-endowment”. The governing documents of RAF 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 RAF, general economic conditions, the possible effect of the inflation or deflation, the expected total return from income and the appreciation of investments, RAF’s other resources, and RAF’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. RAF’s Board

of Trustees approves 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, 2024 and 2023:

ENDOWMENT NET ASSETS	YEAR ENDED DECEMBER 31, 2024	RAF OLD AND RAF NEW, INC. COMBINED YEAR ENDED DECEMBER 31, 2023
QUASI-ENDOWMENT FUNDS		
Investment Managed Funds, marketable investments	170,490,068	158,208,986
Investment Managed Funds, cash	20	26
TOTAL QUASI-ENDOWMENT	170,490,088	158,209,012
DONOR-RESTRICTED ENDOWMENT FUNDS		
TOTAL ENDOWMENT	170,490,088	158,209,012

Changes in Endowment Net Assets (all Without Donor Restrictions) for the Fiscal Years Ended December 31, 2024 and 2023:

ENDOWMENT NET ASSETS	YEAR ENDED DECEMBER 31, 2024	RAF OLD AND RAF NEW, INC. COMBINED YEAR ENDED DECEMBER 31, 2023
QUASI-ENDOWMENT NET ASSETS, BEGINNING OF YEAR	158,209,012	145,623,168
Disposition of marketable investments	34,717,966	19,724,811
Purchase of marketable investments	(42,167,008)	(18,470,501)
Net realized loss on marketable investments	(3,476,067)	(3,450,160)
Net unrealized gains on marketable investments	8,308,106	17,290,289
Interest and dividend income, net, on a cash basis	14,489,036	5,845,715
Contributions, i.e. cash reinvested / (Redemptions, i.e. cash put aside for withdrawal)	7,449,043	(1,254,310)
Appropriation of endowment assets for expenditure (i.e., cash withdrawn from endowment)	(7,040,000)	(7,100,000)
QUASI-ENDOWMENT NET ASSETS, END OF YEAR	170,490,088	158,209,012

RAF 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 way where investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RAF 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 RAF'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 RAF supports both administrative and operational expenses, which include grants and Program Related Investments. Generally, RAF seeks not to exceed the 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

RAF'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 RAF 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, 2024	RAF OLD AND RAF NEW, INC. COMBINED DECEMBER 31, 2023
Marketable Investments, at fair value	170,490,068	158,208,987
Cash and cash equivalents	1,005,216	1,039,294
Program Related Investments, loans committed net of allowance for loan losses	1,227,468	841,688
Program Related Investments, loans payable	(250,000)	(350,000)
TOTAL FINANCIAL ASSETS, AT YEAR END	172,472,752	159,739,969
Less those unavailable for general expenditures within one year, due to:		
Program Related Investments, net receivables (i.e. loans committed less loans payable)	(977,468)	(491,688)
Board Designations for Quasi-Endowment:		
Marketable & Non-marketable Investments	(170,490,088)	(158,208,987)
FINANCIAL ASSETS AVAILABLE AT BALANCE SHEET DATE	1,005,196	1,039,294
Add back amounts available for expenditure in following year, i.e., maximum amounts to be withdrawn from quasi-endowment as per Board approval in the following year.	7,200,000	7,040,000
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR EXPENDITURE WITHIN ONE YEAR	8,205,196	8,079,294



RAF had \$172,472,752 in financial assets as of December 31, 2024, 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 \$7,200,000 and cash in operating bank accounts of \$1,005,216 as of December 31, 2024, for a total available financial asset of \$8,205,196. As of December 31, 2024, RAF held cash and cash equivalents of \$145,576 with two large United States commercial banking institutions and \$857,260 with one large European commercial banking institution, which includes cash held in foreign currencies (RON and EUR) valued at \$169,419 and the remaining are in USD. In addition, as of December 31, 2024, RAF held petty cash valued at \$2,380 out of which cash in foreign currencies (RON and EUR) valued at \$2,380.

8. INVESTMENTS AT FAIR VALUE

See Note 3 "Investments at Fair Value" for a presentation of the basis for determining the fair value of RAF's investments.

The cost and fair value of RAF's investments at December 31, 2024 and 2023 as well as the accumulated unrealized gains/(losses) and net realized gains/(losses) for the years ended December 31, 2024 and 2023 are presented in the tables below:

Investments as of December 31, 2024

MARKETABLE INVESTMENTS:	COST	FAIR VALUE	ACCUMULATED UNREALIZED GAINS / (LOSSES)	NET REALIZED GAINS / (LOSSES) IN THE YEAR
Mutual Funds – Equity	108,224,068	97,238,905	(10,985,163)	(1,496,518)
Mutual Funds – Fixed Income	19,451,405	16,405,376	(3,046,029)	(2,048,154)
Mutual Funds – Other	24,924,530	21,902,449	(3,022,081)	68,605
Alternative Investments	32,044,481	34,943,338	2,898,857	-
	184,644,484	170,490,068	(14,154,416)	(3,476,067)

Investments of RAF Old and RAF New, Inc. Combined as of December 31, 2023

MARKETABLE INVESTMENTS:	COST	FAIR VALUE	ACCUMULATED UNREALIZED GAINS / (LOSSES)	NET REALIZED GAINS / (LOSSES) IN THE YEAR
Mutual Funds – Equity	100,195,985	84,582,446	(15,613,539)	(3,320,426)
Mutual Funds – Fixed Income	33,027,158	28,106,423	(4,920,735)	(129,734)
Mutual Funds – Other	22,506,168	19,997,823	(2,508,345)	-
Alternative Investments	24,942,197	25,522,295	580,098	-
	180,671,508	158,208,987	(22,462,521)	(3,450,160)

The unrealized gains / (losses) on investments for the years ended December 31, 2024 and 2023 are presented in the table below:

	ACCUMULATED UNREALIZED GAINS / (LOSSES) AS OF DECEMBER 31, 2023, RAF OLD AND RAF NEW, INC. COMBINED	NET UNREALIZED GAINS / (LOSSES) FOR THE YEAR-ENDED DECEMBER 31, 2024	ACCUMULATED UNREALIZED GAINS / (LOSSES) AS OF DECEMBER 31, 2024
Mutual Funds – Equity	(15,613,539)	4,628,376	(10,985,163)
Mutual Funds – Fixed Income	(4,920,735)	1,874,706	(3,046,029)
Mutual Funds – Other	(2,508,345)	(513,736)	(3,022,081)
Alternative Investments	580,097	2,318,760	2,898,857
	(22,462,522)	8,308,106	(14,154,416)

	ACCUMULATED UNREALIZED GAINS / (LOSSES) AS OF DECEMBER 31, 2022, RAF OLD AND RAF NEW, INC. COMBINED	NET UNREALIZED GAINS / (LOSSES) FOR THE YEAR-ENDED DECEMBER 31, 2023, RAF OLD AND RAF NEW, INC. COMBINED	ACCUMULATED UNREALIZED GAINS / (LOSSES) AS OF DECEMBER 31, 2023, RAF OLD AND RAF NEW, INC. COMBINED
Mutual Funds – Equity	(31,345,204)	15,731,665	(15,613,539)
Mutual Funds – Fixed Income	(5,854,466)	933,731	(4,920,735)
Mutual Funds – Other	(2,811,089)	302,744	(2,508,345)
Alternative Investments	257,948	322,149	580,097
	(39,752,811)	17,290,289	(22,462,522)

Set forth in the tables below are RAF's investments as of December 31, 2024 and 2023, at fair value on a recurring basis, by the hierarchy levels described in Note 3:

Investments as of December 31, 2024

MARKETABLE INVESTMENTS:	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	MEASURED AT NET ASSET VALUE	TOTAL
Mutual Funds – Equity	97,238,905	-	97,238,905
Mutual Funds – Fixed Income	16,405,376	-	16,405,376
Mutual Funds – Other	21,902,449	-	21,902,449
Alternative Investments	-	34,943,338	34,943,338
	135,546,730	34,943,338	170,490,068
% TOTAL	80%	20%	100%

Investments of RAF Old and RAF New, Inc. Combined as of December 31, 2023

MARKETABLE INVESTMENTS:	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	MEASURED AT NET ASSET VALUE	TOTAL
Mutual Funds – Equity	84,582,446	-	84,582,446
Mutual Funds – Fixed Income	28,106,423	-	28,106,423
Mutual Funds – Other	19,997,823	-	19,997,823
Alternative Investments	-	25,522,295	25,522,295
	132,686,692	25,522,295	158,208,987
% TOTAL	84%	16%	100%

Presented in the table below is information about RAF's investments valued using the NAV of the investment vehicle as a practical expedient, categorized by investment strategy, as of December 31, 2024 and 2023:

Alternative Investments as of December 31, 2024

	FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD	
Diversified strategy of property funds	8,152,874	-	Quarterly	105 days	(a)
Multi-strategy, hedge funds of funds	11,239,400	-	Semi-annual	95 days	(b)
Diversified strategy of private equity funds	15,551,064	21,755,518	Not able to redeem	Not applicable	(c)
TOTAL	34,943,338	21,755,518			

a. 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.

b. 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.

c. 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. RAF has committed to invest \$36.2 million in these funds, \$18.1 million to each, and, on December 31, 2024, the Foundation's remaining commitment to SEI Secondary Opportunity Fund I LP was \$9,978,205 and to SEI Global Private Assets VI LP was \$11,777,313.



Alternative Investments of RAF Old and RAF New, Inc. Combined as of December 31, 2023

	FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD	
Diversified strategy of property funds	8,223,502	-	Quarterly	95 days	(d)
Multi-strategy, hedge funds of funds	9,639,380	-	Semi-annual	95 days	(e)
Diversified strategy of private equity funds	7,659,413	28,857,803	Not able to redeem	Not applicable	(f)
TOTAL	25,522,295	28,857,803			

- d. 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.
- e. 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.

- f. 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. RAF has committed to invest \$36.2 million in these funds, \$18.1 million to each, and, at December 31, 2023, the Foundation's remaining commitment to SEI Secondary Opportunity Fund I LP was \$13,237,973 and to SEI Global Private Assets VI LP was \$15,619,830.

Income from investments

Included in the amount of \$14,476,259 reported as "Interest and dividend income, net" in the consolidated statements of activities for the year ended December 31, 2024 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 \$608,672. In addition to the custodial and investment management fees charged to the investment account there were SEI sub-advisors fees of \$176,245 taken directly from funds.

9. GRANTS CONTRACTED AND PROGRAM RELATED INVESTMENTS

For the year ended December 31, 2024 RAF contracted 24 new grant agreements and amended 26 grant agreements contracted in previous years for a total of \$4,537,186 grants contracted in the focus areas of education, technology innovation, entrepreneurship and community development and civil society. During 2024 RAF reversed \$16,001 of previous years contracted grant awards as the funds were not entirely used by recipients and subsequently cancelled, the grants contracted during the year and recorded through the consolidated statement of activities amounting to \$4,521,185. The net grants disbursed during the year ended December 31, 2024 consisted of \$4,217,784 and the outstanding contracted grant agreements not yet disbursed until year end amounted to \$1,537,880.

As of December 31, 2024 the Program Related Investments ("PRIs") consisted of \$1,262,140 committed funds in loans signed with four Romanian non-governmental organizations as non-bearing interest loans that are disbursed to the borrowers in multiple tranches. As of December 31, 2024 there were \$250,000 of loan tranches due to the borrowers. During 2024 the Foundation signed two PRI loans for a total of \$605,000 and disbursed \$705,000. During 2024 the Foundation collected

\$219,220 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, 2024. The total outstanding principal balance of the PRIs was \$977,468 as of December 31, 2024, net of allowance for loan losses of \$34,672.

There were no changes in RAF's allowance for loan losses for the year ended December 31, 2024.

BALANCE, DECEMBER 31, 2023 OF RAF OLD AND RAF NEW, INC. COMBINED	\$34,672
Additional provision charged to operations	-
Recoveries of loans previously provided for in allowance for loan losses	-
Loans written-off	-
BALANCE, DECEMBER 31, 2024	\$34,672

For the year ended December 31, 2023 the Foundation contracted 32 new grant agreements and amended 30 grant agreements contracted in previous years for a total of \$4,524,106 grants contracted in the focus areas of education, technology innovation, entrepreneurship and community development and civil society. During 2023 RAF reversed \$23,319 of previous years contracted grant awards as the funds were not entirely used by recipients and subsequently

cancelled, the grants contracted during the year and recorded through the consolidated statement of activities amounting to \$4,500,787. The net grants disbursed during the year ended December 31, 2023 consisted of \$4,448,494 and the outstanding contracted grant agreements not yet disbursed until year end amounted to \$1,234,479.

As of December 31, 2023 the Program Related Investments ("PRIs") consisted of \$876,360 committed funds in loans signed with five Romanian non-governmental organizations as non-bearing interest loans that are disbursed to the borrowers in multiple tranches. As of December 31, 2023 there were \$350,000 of loan tranches due to the borrowers. During 2023 the Foundation signed two PRI loans for a total of \$650,000 and disbursed \$300,000. During 2023 the Foundation collected \$46,640 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, 2023. The total outstanding principal balance of the PRIs was \$491,688 as of December 31, 2023, net of allowance for loan losses of \$34,672.





10. STATEMENT OF FUNCTIONAL EXPENSES AND EXPENSE ALLOCATION

The Foundation's consolidated financial statements as of December 31, 2024 report certain categories of expenses that are attributable to more than one program or supporting function. Therefor 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 based on estimates of time and effort.

The category "Professional fees" includes programmatic services fees of \$160,000 paid by the Foundation to Harvard Graduate School of Education during 2024 and of \$165,000 during 2023 and programmatic services fees of \$179,759 paid to Babson College during 2024 and of \$174,000 paid during 2023.

The following table presents the functional expenses for the year ended December 31, 2024

	PROGRAM ACTIVITIES (\$)				SUPPORTING	TOTAL
	EDUCATION, TECHNOLOGY & INNOVATION	PHILANTHROPY, COMMUNITY DEVELOPMENT AND CIVIC ENGAGEMENT	RURAL ECONOMY AND ENTREPRENEURSHIP	PROGRAMS SUBTOTAL	ACTIVITIES (\$)	
Employee salaries, taxes and benefits	312,958	187,704	237,895	738,557	201,280	939,837
Employee business expenses	27,606	9,079	20,462	57,147	8,251	65,398
Occupancy expenses	86,985	36,727	50,258	173,970	19,330	193,300
Professional fees	460,896	18,893	37,966	517,755	231,087	748,842
Trustees' expenses	-	-	-	-	168,578	168,578
Other general and administrative	87,895	37,924	50,929	176,748	54,920	231,668
Depreciation	46,257	19,530	26,726	92,513	10,279	102,792
TOTAL OPERATING EXPENSES	1,022,597	309,857	424,236	1,756,690	693,725	2,450,415
Grants contracted to other organizations	1,676,722	1,043,758	1,800,705	4,521,185	-	4,521,185
Decrease of allowances for loan losses	-	-	-	-	-	-
TOTAL EXPENSES	2,699,319	1,353,615	2,224,941	6,277,875	693,725	6,971,600

The following table presents the functional expenses of RAF Old and RAF New, Inc. combined for the year ended December 31, 2023

	PROGRAM ACTIVITIES (\$)				SUPPORTING ACTIVITIES (\$)	TOTAL EXPENSES (\$)
	EDUCATION, TECHNOLOGY & INNOVATION	PHILANTHROPY, COMMUNITY DEVELOPMENT AND CIVIC ENGAGEMENT	RURAL ECONOMY AND ENTREPRENEURSHIP	PROGRAMS SUBTOTAL	MANAGEMENT AND GENERAL EXPENSES	
Employee salaries, taxes and benefits	305,073	154,152	202,672	661,896	189,999	851,895
Employee business expenses	27,539	10,576	21,129	59,245	5,609	64,854
Occupancy expenses	94,225	39,784	54,441	188,449	20,939	209,388
Professional fees	471,570	23,916	39,465	534,951	247,389	782,340
Trustees' expenses	-	-	-	-	188,719	188,719
Other general and administrative	56,604	24,692	35,239	116,535	45,754	162,290
Depreciation	40,681	17,177	23,505	81,363	22,877	104,239
TOTAL OPERATING EXPENSES	995,692	270,297	376,450	1,642,439	721,286	2,363,725
Grants awarded to other organizations	1,406,146	929,085	2,165,556	4,500,787	-	4,500,787
Decrease of allowances for loan losses	-	-	(4,328)	(4,328)	-	(4,328)
TOTAL EXPENSES	2,401,838	1,199,382	2,537,678	6,138,898	721,286	6,860,122

11. PROPERTY, NET

As of December 31, 2024, net property consisted of:

AS OF DECEMBER 31, 2024	COST (\$)	ACCUMULATED DEPRECIATION / AMORTIZATION (\$)	NET BOOK VALUE (\$)
Land	537,273	-	537,273
Office building and improvements	2,886,754	450,559	2,436,195
Automobiles, furniture and equipment	228,851	226,516	2,335
Software	-	-	-
TOTAL	3,652,878	677,075	2,975,803

AS OF DECEMBER 31, 2023 OF RAF OLD AND RAF NEW, INC. COMBINED	COST (\$)	ACCUMULATED DEPRECIATION / AMORTIZATION (\$)	NET BOOK VALUE (\$)
Land	537,273	-	537,273
Office building and improvements	2,886,754	348,467	2,538,287
Automobiles, furniture and equipment	228,851	225,816	3,035
Software	-	-	-
TOTAL	3,652,878	574,283	3,078,595



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, 2024 there were no court decisions that would entitle RAF to receive any of such claims and the litigation procedure 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. RAF, RAF Old and RAF New, Inc. consider each other a related party and transactions have been eliminated upon combination. The trustees and officers of RAF are the same trustees and officers of RAF Old and RAF New, Inc.

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 Foundations are exempt from payments of state and local income taxes in the U.S.

On February 12, 2024 the IRS posted the auto-revocation of the RAF's Old tax-exempt status, retroactively, effective May 15, 2023, for not electronically filing annual tax returns. The situation was created due to a lack of IRS procedures for a 501(c)(3) non-profit changing into a 501(c)(4) nonprofit organization by self-declaring. RAF Old self-declared a 501(c)(4) nonprofit organization starting fiscal year 2017. The management believes that RAF Old fulfilled its legal obligations based on filing annual paper tax returns by postage mailing to the IRS for each consecutive year since 2017. RAF Old therefore proceeded to an IRS specific procedure for reinstating the tax-exempt status retroactively to cover the gap between May 15, 2023, the date of tax-exempt status auto-revocation, and January 01, 2024, that is the time RAF Old merged out of existence into RAF New, Inc.

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

RAF has evaluated subsequent events through June 05, 2025, the date the 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, 2024.

As of June 05, 2025 RAF withdrew \$4,000,000 as planned from its investment managed accounts at SEI Investments Management Corporation as a quasi-endowment decrease to cover its expenditures in fiscal year 2025.

