THE ROYAL OAK FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Royal Oak Foundation, Inc.

Opinion

We have audited the accompanying financial statements of The Royal Oak Foundation, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Royal Oak Foundation, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Royal Oak Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Royal Oak Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Royal Oak Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Royal Oak Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lutz + Carr, LLP

New York, New York
November 20, 2025

THE ROYAL OAK FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 235,993	$ 190,989
Investments	10,117,807	9,713,172
Accounts receivable	28,962	31,940
Unconditional promises to give		
Without donor restrictions	104,730	52,817
With donor restrictions	657,765	76,410
Interest in charitable remainder trust	274,485	259,655
Prepaid expenses and other assets	273,452	119,275
Cash surrender value of life insurance	48,384	47,184
Operating lease right-of-use asset	454,244	109,908
Security deposit	20,276	20,276
Property and equipment, at cost (net of accumulated depreciation)	44,829	45,148
Total Assets	$12,260,927	$10,666,774
Liabilities and Net Assets		
Liabilities		
Accounts payable and other current liabilities	$ 82,945	$ 56,526
Grants payable	69,781	6,785
Deferred revenue	562,501	386,901
Operating lease liability	455,022	122,201
Total Liabilities	1,170,249	572,413
Commitments		
Net Assets		
Without Donor Restrictions		
Operating	678,452	75,592
Board designated	7,472,510	8,098,089
Total Without Donor Restrictions	8,150,962	8,173,681
With Donor Restrictions		
Subject to time and purpose restriction	2,825,858	1,806,822
Perpetual in nature	113,858	113,858
Total With Donor Restrictions	2,939,716	1,920,680
Total Net Assets	11,090,678	10,094,361
Total Liabilities and Net Assets	$12,260,927	$10,666,774

See notes to financial statements.

THE ROYAL OAK FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	Without Donor Restrictions	With Donor Restrictions			Without Donor Restrictions	With Donor Restrictions		
		Time and Purpose	Perpetual in Nature	Total		Time and Purpose	Perpetual in Nature	Total
Changes in Net Assets								
Revenues, Gains and Support								
Contributions	$ 1,474,259	$ 857,128	$ -	$ 2,331,387	$ 1,120,651	$ 45,428	$ -	$ 1,166,079
In-kind contributions	104,294	-	-	104,294	-	-	-	-
Membership dues	794,981	-	-	794,981	839,511	-	-	839,511
Fundraising benefit	139,468	-	-	139,468	151,124	-	-	151,124
Fundraising benefit - Gifts-in-kind	1,900	-	-	1,900	2,606	-	-	2,606
Less: Direct expenses	(19,854)	-	-	(19,854)	(25,242)	-	-	(25,242)
Educational programs	477,183	-	-	477,183	536,500	-	-	536,500
Royalty income	20,535	-	-	20,535	22,794	-	-	22,794
Net investment income	1,236	-	-	1,236	4	-	-	4
Increase in cash surrender value of life insurance	1,200	-	-	1,200	1,200	-	-	1,200
Foreign currency exchange gain	18,378	-	-	18,378	-	-	-	-
Other income	12,492	-	-	12,492	4,999	-	-	4,999
	3,026,072	857,128	-	3,883,200	2,654,147	45,428	-	2,699,575
Net assets released from restrictions	94,666	(94,666)	-	-	100,660	(100,660)	-	-
Appropriation from board designated net assets to operations and grants	1,765,220	-	-	1,765,220	-	-	-	-
Total Revenues, Gains and Support	4,885,958	762,462	-	5,648,420	2,754,807	(55,232)	-	2,699,575
Expenses								
Program Services								
Grants and scholarships	2,331,589	-	-	2,331,589	882,435	-	-	882,435
Membership	317,574	-	-	317,574	325,763	-	-	325,763
Educational programs	785,329	-	-	785,329	807,301	-	-	807,301
Total Program Services	3,434,492	-	-	3,434,492	2,015,499	-	-	2,015,499
Supporting Services								
Management and general	514,436	-	-	514,436	344,329	-	-	344,329
Fundraising	349,000	-	-	349,000	334,434	-	-	334,434
Total Supporting Services	863,436	-	-	863,436	678,763	-	-	678,763
Total Expenses	4,297,928	-	-	4,297,928	2,694,262	-	-	2,694,262
Increase (Decrease) in Net Assets Before Other Revenues and Expenses	588,030	762,462	-	1,350,492	60,545	(55,232)	-	5,313
Other Revenues and Expenses								
Change in value of interest in charitable remainder trust	14,830	-	-	14,830	19,837	-	-	19,837
Contributions - non-operating	190,159	-	-	190,159	578,249	-	-	578,249
Appropriation from board designated net assets to operations and grants	(1,765,220)	-	-	(1,765,220)	-	-	-	-
Transfer from board designated net assets to net assets with donor restrictions	(5,000)	5,000		-		-	-	-
Net investment income	954,482	251,574	-	1,206,056	708,634	226,895	-	935,529
Total Other Revenues and Expenses	(610,749)	256,574	-	(354,175)	1,306,720	226,895	-	1,533,615
Increase (decrease) in net assets	(22,719)	1,019,036	-	996,317	1,367,265	171,663	-	1,538,928
Net assets, beginning of year	8,173,681	1,806,822	113,858	10,094,361	6,806,416	1,635,159	113,858	8,555,433
Net Assets, End of Year	$ 8,150,962	$2,825,858	$113,858	$11,090,678	$ 8,173,681	$1,806,822	$113,858	$10,094,361

See notes to financial statements.

THE ROYAL OAK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Services			
	Grants and Scholarships	Membership	Educational Programs	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ -	$ 129,179	$ 207,467	$ 336,646	$ 156,751	$ 201,961	$358,712	$ 695,358
Payroll taxes and benefits	-	31,604	51,564	83,168	36,594	46,574	83,168	166,336
Grants and scholarships	2,327,946	-	-	2,327,946	-	-	-	2,327,946
Mission related marketing	3,643	28,511	312	32,466	-	15,588	15,588	48,054
Member services	-	82,954	-	82,954	-	-	-	82,954
Lectures and tours	-	-	452,033	452,033	-	-	-	452,033
Telephone and internet	-	1,609	2,625	4,234	1,862	2,371	4,233	8,467
Insurance	-	-	-	-	20,071	-	20,071	20,071
Equipment, software and technology	-	-	-	-	75,999	2,063	78,062	78,062
Occupancy	-	26,152	42,669	68,821	40,983	38,539	79,522	148,343
Professional fees	-	-	-	-	151,163	-	151,163	151,163
Office supplies	-	825	1,347	2,172	955	1,216	2,171	4,343
Travel and meetings	-	-	-	-	10,675	-	10,675	10,675
Merchant service fees	-	7,621	12,434	20,055	8,824	11,231	20,055	40,110
Other expenses	-	1,605	2,619	4,224	1,859	2,366	4,225	8,449
Indirect gala fundraising benefit expenses	-	-	-	-	-	16,019	16,019	16,019
Total expenses before depreciation	2,331,589	310,060	773,070	3,414,719	505,736	337,928	843,664	4,258,383
Depreciation	-	7,514	12,259	19,773	8,700	11,072	19,772	39,545
Total Expenses	$ 2,331,589	$ 317,574	$ 785,329	$3,434,492	$ 514,436	$ 349,000	$863,436	$4,297,928

See notes to financial statements.

THE ROYAL OAK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Services			
	Grants and Scholarships	Membership	Educational Programs	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ -	$ 128,163	$ 190,273	$ 318,436	$ 131,908	$ 183,037	$314,945	$ 633,381
Payroll taxes and benefits	-	28,890	42,891	71,781	29,734	41,260	70,994	142,775
Grants and scholarships	876,200	-	-	876,200	-	-	-	876,200
Mission related marketing	6,235	34,723	312	41,270	-	21,819	21,819	63,089
Member services	-	85,995	-	85,995	-	-	-	85,995
Lectures and tours	-	-	502,577	502,577	-	-	-	502,577
Telephone and internet	-	1,773	2,632	4,405	1,825	2,532	4,357	8,762
Insurance	-	-	-	-	18,850	-	18,850	18,850
Equipment, software and technology	-	-	-	-	69,752	2,250	72,002	72,002
Occupancy	-	30,045	44,606	74,651	41,356	42,910	84,266	158,917
Professional fees	-	-	-	-	31,448	-	31,448	31,448
Office supplies	-	786	1,166	1,952	808	1,122	1,930	3,882
Travel and meetings	-	-	-	-	2,813	-	2,813	2,813
Merchant service fees	-	7,261	10,780	18,041	7,472	10,370	17,842	35,883
Other expenses	-	1,336	1,983	3,319	1,374	1,908	3,282	6,601
Indirect gala fundraising benefit expenses	-	-	-	-	-	17,528	17,528	17,528
Total expenses before depreciation	882,435	318,972	797,220	1,998,627	337,340	324,736	662,076	2,660,703
Depreciation	-	6,791	10,081	16,872	6,989	9,698	16,687	33,559
Total Expenses	$ 882,435	$ 325,763	$ 807,301	$2,015,499	$ 344,329	$ 334,434	$678,763	$2,694,262

See notes to financial statements.

THE ROYAL OAK FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase in net assets	$ 996,317	$1,538,928
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	39,545	33,559
Net realized and unrealized gain on investments	(912,061)	(680,508)
Non-cash operating lease expense	(344,336)	142,580
Donated securities	(41,966)	-
Change in value of interest in charitable remainder trust	(14,830)	(19,837)
Change in cash surrender value of life insurance	(1,200)	(1,200)
(Increase) decrease in:		
Accounts receivable	2,978	(9,375)
Unconditional promises to give	(633,268)	254,515
Prepaid expenses and other assets	(154,177)	(14,974)
Increase (decrease) in:		
Accounts payable and other current liabilities	26,419	(1,744)
Grants payable	62,996	577
Deferred revenue	175,600	(32,221)
Operating lease liability	332,821	(155,368)
Net Cash Provided (Used) By Operating Activities	(465,162)	1,054,932
Cash Flows From Investing Activities		
Purchase of investments	(3,904,318)	(2,426,730)
Proceeds from sale of investments	4,453,710	1,304,767
Purchase of property and equipment	(39,226)	(36,599)
Net Cash Provided (Used) By Investing Activites	510,166	(1,158,562)
Net increase (decrease) in cash and cash equivalents	45,004	(103,630)
Cash and cash equivalents, beginning of year	190,989	294,619
Cash and Cash Equivalents, End of Year	$ 235,993	$ 190,989
Supplemental disclosure of non-cash investing activities:		
Operating lease right-of-use asset obtained in exchange for lease liability	$ 475,937	$ -

See notes to financial statements.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Royal Oak Foundation, Inc. (the "Foundation") is incorporated under New York State Law as a not-for-profit organization. The Foundation works closely with the National Trust of England, Wales and Northern Ireland (the "National Trust"). The Foundation raises funds for the conservation of areas of natural beauty and the preservation of historic properties, including houses and gardens in Britain and elsewhere, and sponsors educational programs which address issues in conservation and preservation.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less, other than those held as investments, to be cash equivalents.

c - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair values.

A three-level valuation hierarchy is used for fair value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations the significant inputs of which are observable.

Level 3 Instruments the significant inputs of which are unobservable.

The Foundation's investments in equities, mutual funds, money market funds and cash are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

The interest in charitable remainder trust is classified within Level 3 of the fair value hierarchy because it has little or no readily available pricing. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

c - Fair Value Measurements (continued)
The values assigned to the Foundation's interest in charitable remainder trusts, and any unrealized gains or losses reported, are based on available information and do not necessarily represent amounts that might be realized if a ready market existed. Such differences could be material. The ultimate realization of such amounts depends on future events and circumstances and, therefore, valuation estimates may differ from the value realized upon disposition of individual positions.

d - Investments
The Foundation reflects investments at fair value in the statement of financial position. Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which they are generated. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

e - Current Expected Credit Loss
Accounts receivable are presented net of an allowance for credit losses, if any, which is an estimate of amounts that may not be collectible. In determining the amount of the allowance as of the statement of financial position date, the Foundation develops a loss rate based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Based on management's assessment, the Foundation does not anticipate any credit losses on accounts receivable as of June 30, 2025 and 2024.

f - Unconditional Promises to Give and Contributions
Contributions are recognized when the donor makes a promise to give to the Foundation, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been met.

During the years ended June 30, 2025 and 2024, 31% and 32% of contributions were from two donors, respectively.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

f - Unconditional Promises to Give and Contributions (continued)
The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

g - Interest in Charitable Remainder Trust
The Foundation accepts gifts subject to split-interest agreements. These gifts are generally in the form of charitable remainder unitrusts and charitable remainder annuity trusts under which specified distributions are made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, the Foundation receives their interest in the assets remaining in the trust. At the time of receipt, a gift is recorded based upon the fair value of the assets donated less the present value of projected distributions to beneficiaries. The discount rate used to value the beneficiary liability is fixed at the gift date. Charitable remainder unitrusts are revalued annually.

As of June 30, 2025, the Foundation is the beneficiary of one externally managed charitable remainder trust.

h - Property and Equipment
Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset.

i - Grants Payable
Grants are recognized as liabilities when awarded.

j - Revenue Recognition
The Foundation has multiple revenue streams that are accounted for as exchange transactions. Educational programming and royalty income are recognized as revenue in the period that the related goods or services are provided. The Foundation sells annual memberships of various categories that last for a one-year term and provide members with benefits that include tiered levels of discounts and access to Royal Oak and National Trust sites, events, and publications. The Foundation allocates fees from membership between contribution and exchange transactions and recognizes the contribution portion upon sale, and the exchange transaction ratably over the membership term. Memberships are billed and collected at the beginning of the membership period.

k - Operating Lease Right-of-Use Asset and Operating Lease Liability
For leases with an initial term greater than twelve months, the Foundation's operating lease liability was initially recorded at the present value of the unpaid lease payments. The Foundation's operating lease right-of-use asset was initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

m - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses are applied directly to programs, where applicable, or allocated on a reasonable and consistent basis. A substantial portion of the Foundation's expenses are directly related to program activities, which are made up of the grants, membership and educational programs. The expenses that are allocated include salaries and employee benefits, telephone and internet, rent, office supplies, merchant service fees, other expenses, and depreciation, which are allocated on the basis of estimated staff time and effort.

n - Tax Status

The Royal Oak Foundation, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

o - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

p - Subsequent Events

The Foundation has evaluated subsequent events through November 20, 2025, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

The Foundation prepares an annual budget in the third quarter for approval by the Board before year-end. The budget is divided between operating and non-operating expenditures. Non-operating expenditures pertain to grant making activities while operating expenditures relate to income from membership, educational programs, general development and the associated expenses thereof within the fiscal year.

It is the Foundation's intent to have a balanced operating budget each year. In years in which the expenses exceed income, the balance is made up by income from the investment account. However, it is the Board policy that investment income is generally not used for operating expense but reserved for grant making activities. In addition, unusual income in the form of bequests is invested and used for future grants.

Membership revenue is received throughout the year and funds general and administrative costs. Program and development income occur seasonally and are linked to the respective expense. Accounts payable and receivable are regularly monitored and paid/received timely.

The Foundation maintains checking, savings and investment accounts. Investment accounts are approximately $10,100,000 and are invested solely in mutual funds that are readily convertible to cash. Checking and savings accounts are maintained between $200,000 and $250,000. Excess balances over approximately $300,000 are invested in the investment accounts such that sufficient cash flow is not an issue.

Note 2 - Information Regarding Liquidity and Availability (continued)

The Foundation's financial assets as of June 30, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	$ 235,993	$ 190,989
Investments and cash equivalents	10,117,807	9,713,172
Accounts receivable	28,962	31,940
Unconditional promises to give	762,495	129,227
Total Financial Assets	11,145,257	10,065,328
Less: Amounts not Available to be Used within One Year:		
Net assets without donor restrictions, board designated	(7,472,510)	(8,098,089)
Plus: Net assets with board designation expected to be used within one year	194,055	1,149,797
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(2,825,858)	(1,806,822)
Plus: Net assets with restrictions to be met in less than one year	305,868	69,411
Net assets with donor restrictions for endowment, perpetual in nature	(113,858)	(113,858)
Financial Assets Available to Meet General Expenditures within One Year	$1,232,954	$1,265,767

In addition to these financial assets available for use within one year, the Board maintains funds designated for specific uses of approximately $7,500,000. These amounts could be made available to meet cash needs for general expenditure at the discretion of the Board. The Foundation also maintains a line of credit of $25,000, as more fully described in Note 14, that could be used for general expenditure.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated

Board designated net assets consist of all monies or assets contributed to the Foundation which have been designated by the Board for future activities. The board designated net assets at June 30 consist of the following:

	2025	2024
Legacy Fund	$6,037,834	$5,468,286
National Trust	125,883	1,095,706
Other board-restricted	1,308,793	1,534,097
	$7,472,510	$8,098,089

Net assets without donor restrictions - board designated have been released as follows:

	2025	2024
National Trust	$1,095,706	$ -
Other board-restricted	669,514	-
	$1,765,220	$ -

In December 2013, the Board of Directors established the Royal Oak Legacy Fund to support the Foundation's work with the National Trust. The assets of the fund are held in a designated investment account. A conservative annual draw policy of 3% to 5% is generally in effect.

Other net assets have been designated by the Board toward the preservation and restoration of National Trust properties in England.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3 - Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for future programs and periods as follows:

	2025	2024
Subject to expenditure for specific purpose:		
Ervin Fund	$1,271,485	$1,117,524
Seeley Fellowship Fund	287,829	271,957
Damaris Horan Prize	211,328	179,640
Fleming Lecture Fund - accumulated earnings	147,177	113,687
Chartwell	25,099	29,411
Adoption of Future Lectures	19,000	33,545
Program Grants	125,000	25,000
Contributions to National Trust properties	485,000	25,000
Various Sponsored Projects	253,940	11,058
	2,825,858	1,806,822
Perpetual in nature:		
Endowment	113,858	113,858
	$2,939,716	$1,920,680

The principal received for the Ervin Fund, Damaris Horan Prize, and Seeley Fellowship Fund have been invested and net assets with donor restrictions includes investment income earned.

Net assets with donor restrictions have been released from restriction as follows:

	2025	2024
Seeley Fellowship Fund	$26,563	$ 2,784
Chartwell	6,000	6,000
Various sponsored projects	6,058	1,013
Program Grants	25,000	50,000
Lake District	-	33,363
Adoption of Future Lectures	31,045	7,500
	$94,666	$100,660

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3 - Net Assets (continued)

c - Net Assets of Perpetual Nature

Net assets of a perpetual nature consist of donations to the Ronald Lee Fleming Lecture Fund which is restricted for educational lectures in accordance with the terms of a conditional challenge grant (Note 6b). The funds as of June 30, 2025 and 2024 consisted solely of cash donations received. Pledges dependent on the occurrence of future events were not recognized. The draw policy relating to the fund is to be determined annually by the Board of Directors as outlined in the fund pledge agreement (Note 12).

Note 4 - Concentration of Credit Risk

The Foundation maintains cash accounts in a number of financial institutions. Certain balances are insured by the Federal Deposit Insurance Corporation.

Note 5 - Investments

Investments are all classified within Level 1 of the fair value hierarchy and consist of the following at June 30:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Cash equivalents	$ 1,664,235	$1,664,235	$2,379,289	$2,379,289
Mutual Funds:				
500 Index - equity	2,124,248	853,920	2,103,159	924,491
Extended Market Index - equity	-	-	869,589	534,762
Mid Cap Grade Index - equity	838,956	391,010	672,164	385,592
Short Term Investment Grade - fixed	-	-	1,948,278	2,035,127
International - equity	2,303,021	1,946,867	1,740,693	1,673,459
Exchange Traded Funds:				
Limited Duration Bond ETF - fixed	2,409,117	2,394,663	-	-
Small-Mid Multifactor ETF - equity	778,230	822,399	-	-
	$10,117,807	$8,073,094	$9,713,172	$7,932,720

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5 - Investments (continued)

Net investment income for the years ended June 30, 2025 and 2024 is summarized as follows:

	2025	2024
Interest and dividends	$ 295,231	$255,025
Net realized gains (losses)	647,800	(84,069)
Net unrealized gains	264,261	764,577
Total	$1,207,292	$935,533

Net investment income has been allocated as follows:

	2025	2024
Without donor restrictions:		
Operations	$ 1,236	$ 4
Other	954,482	708,634
With donor restrictions	251,574	226,895
	$1,207,292	$935,533

Note 6 - Promises to Give

a - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	2025	2024
Due within one year	$665,968	$ 94,316
Due in one to five years	104,803	38,500
	770,771	132,816
Less: Discount to present value	(8,276)	(3,589)
	$762,495	$129,227

Unconditional promises to give due after one year are discounted to present value using discount rates of 3% to 3.96% per annum. Uncollectible promises to give are expected to be insignificant.

The Foundation has certain unconditional promises to give denominated in British pounds. Accordingly, the Foundation recognizes currency transaction and valuation gains or losses related to these unconditional promises to give. Gains for the year ended June 30, 2025 totaled $18,378.

Note 6 - Promises to Give (continued)

b - Conditional Promise to Give

The Foundation received a conditional pledge toward establishing an endowment fund, perpetual in nature, designated to support the Ronald Lee Fleming Lecture Fund. The pledge required matching contributions on a two-to-one basis. The donor will contribute a maximum of $500,000 toward the Lecture Fund if an additional $1,000,000 is raised. As of June 30, 2025, the Foundation raised $113,858 in cash and $700,000 in conditional pledges toward the challenge match. The matching period ended on June 15, 2015. The match will be received from the estate of the donor. Due to the nature of the challenge and the matching pledges, they have not been recorded in the accompanying financial statements.

Note 7 - Interest in Charitable Remainder Trust

Charitable remainder trusts were recorded naming the Foundation as the recipient of remainder assets after the death of the respective donors and/or their beneficiaries ("the life tenants"). Each donor puts certain assets in trust from which the trustee remits annuity payments to the life tenants, until such time that the life tenants are deceased. Upon the death of the life tenants, all principal and income of the trusts designated for the Foundation will be distributed to the Foundation. The trusts are held in various investment accounts administered by independent third parties. As of June 30, 2025 and 2024, the present value of net assets held for charitable remainder trusts, less the present value of expected annuity payments, amounted to $274,485 and $259,655, respectively.

The following summarizes changes in fair values of the Foundation's Level 3 asset, interest in charitable remainder trust, for the years ended June 30, 2025 and 2024:

	Fair Value	
	2025	2024
Balance, beginning of period	$259,655	$239,818
Change in present value	14,830	19,837
Balance, End of Period	$274,485	$259,655

Note 8 - Cash Surrender Value of Life Insurance

The Foundation received a contribution from a donor in which the Foundation is the beneficiary of a whole life insurance policy. The face value of the policy is $75,000 and the premiums are being paid by the donor. The cash surrender value, as determined by the insurance provider, as of June 30, 2025 and 2024 was $48,384 and $47,184, respectively.

Note 9 - Fair Value Measurements

Fair value of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

	2025		
	Total	Level 1	Level 3
Investments in marketable securities	$10,117,807	$10,117,807	$ -
Interest in charitable remainder trust	274,485	-	274,485
Cash surrender value of life insurance	48,384	-	48,384
	$10,440,676	$10,117,807	$322,869

	2024		
	Total	Level 1	Level 3
Investments in marketable securities	$ 9,713,172	$9,713,172	$ -
Interest in charitable remainder trust	259,655	-	259,655
Cash surrender value of life insurance	47,184	-	47,184
	$10,020,011	$9,713,172	$306,839

Note 10 - Property and Equipment

Property and equipment consist of the following at June 30:

	Life	2025	2024
Furniture and fixtures	10 years	$ 85,300	$ 85,300
Equipment	5 years	22,077	19,852
Software development	3 years	238,604	201,603
		345,981	306,755
Less: Accumulated depreciation		(301,152)	(261,607)
		$ 44,829	$ 45,148

Note 11 - Endowment Funds

Consistent with New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment and (c) accumulations to the donor restricted endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment with donor restrictions that is not perpetual in nature is classified as endowment subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(i) the duration and preservation of the endowment fund;
(ii) the purposes of the Foundation and the endowment fund;
(iii) general economic conditions;
(iv) the possible effect of inflation or deflation;
(v) the expected return from income and the appreciation of investments;
(vi) other resources of the Foundation
(vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation; and
(viii) the investment policy of the Foundation

Invested endowment funds at June 30 consist of the following:

	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Donor-restricted funds, 2025	$147,177	$113,858	$261,035
Donor-restricted funds, 2024	$113,687	$113,858	$227,545

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 11 - Endowment Funds (continued)

Changes in endowment funds are summarized as follows for the years ended June 30, 2025 and 2024:

	2025		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$113,687	$113,858	$227,545
Net investment income	33,490	-	33,490
Endowment Funds, End of year	$147,177	$113,858	$261,035

	2024		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$ 82,455	$113,858	$196,313
Net investment income	31,232	-	31,232
Endowment Funds, End of year	$113,687	$113,858	$227,545

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity as well as undistributed accumulated earnings from those assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that, over time, will provide a balanced rate of return. Actual returns in any given year may vary. The Foundation is in the process of adopting a spending policy.

THE ROYAL OAK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 12 - In-Kind Contributions

During the year ended June 30, 2025, the Foundation received donated legal services of $104,294 in connection with its administrative supporting services and donated decorations of $1,900 for the Foundation's fundraising benefit. During the year ended June 30, 2024, the Foundation received donated catering of $2,606 for the Foundation's fundraising benefit. The valuation of these in-kind contributions was provided by the service provider based on rates charged for similar services.

Note 13 - Operating Lease Liability

The Foundation occupies space under an operating lease agreement expiring March 31, 2030.

Operating lease expense, including other operating expenses, for the years ended June 30, 2025 and 2024 was $148,343 and $158,917, respectively. There were no variable lease costs incurred. As of June 30, 2025, the remaining term of the Foundation's operating lease is fifty-seven months, and the discount rate is 3.91%

Maturities of the Foundation's operating lease liability as of June 30, 2025 are as follows:

Year Ending June 30,	
2026	$102,000
2027	102,638
2028	105,203
2029	107,833
Thereafter, through March 31, 2030	82,382
	500,056
Less: Amount attributable to interest	(45,034)
	$455,022

Note 14 - Line of Credit

The Foundation has a line of credit in the amount of $25,000, borrowings of which bear interest at the bank's prime rate plus 5.25%. There is no expiration date on the line of credit. There were no borrowings during the years ended June 30, 2025 and 2024 and no outstanding balances.

Note 15 - Retirement Plan

The Foundation has a defined contribution 403(b) plan (the "Plan") for eligible employees. The Plan provides for employee and employer contributions, subject to IRS limitations. The Foundation will match the contributions of eligible employees up to 4% of their annual salary. The retirement plan cost for the years ended June 30, 2025 and 2024 was $22,504 and $18,800, respectively.