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Independent Auditor's Report

The Board of Directors of
The Teagle Foundation, Incorporated

We have audited the accompanying financial statements of The Teagle Foundation, Incorporated (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Teagle Foundation, Incorporated as of June 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Owen J. Flanagan & Co.

New York, NY
November 19, 2020

THE TEAGLE FOUNDATION, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Investments, at fair value		
Cash and short-term investments	\$ 3,155,213	\$ 12,491,051
Global equity	60,033,006	59,797,699
Hedge funds	25,622,881	24,528,268
Private equity	32,131,019	32,430,445
Fixed income	13,895,232	10,681,254
<u>Total Investments</u>	<u>134,837,351</u>	<u>139,928,717</u>
Operating cash	424,580	423,610
Interest and dividends receivable	177	7,315
Prepaid expenses and other assets	250,372	113,888
Prepaid taxes	82,412	116,412
Receivables	433,706	408,000
Leasehold improvements, furniture and equipment, net	188,051	219,392
<u>Total Assets</u>	<u>\$ 136,216,649</u>	<u>\$ 141,217,334</u>
<u>LIABILITIES AND NET ASSETS</u>		
Grants payable	\$ 3,222,029	\$ 3,476,841
Accounts payable and accrued expenses	62,266	53,352
Deferred Federal excise tax payable	244,813	387,739
<u>Total Liabilities</u>	<u>3,529,108</u>	<u>3,917,932</u>
Net Assets	<u>132,687,541</u>	<u>137,299,402</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 136,216,649</u>	<u>\$ 141,217,334</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue</u>		
Net investment return	\$ 1,842,084	\$ 2,908,744
Less:		
Federal excise and unrelated business income tax	34,369	60,083
Deferred federal excise tax (recovery)	<u>(142,926)</u>	<u>(74,666)</u>
<u>Investment return net of taxes</u>	<u>1,950,641</u>	<u>2,923,327</u>
Contributions	<u>2,500</u>	<u>-</u>
<u>Total Revenue</u>	<u>1,953,141</u>	<u>2,923,327</u>
<u>Expenses</u>		
Grants	4,556,491	5,637,437
Program management	1,238,200	966,388
Management and governance	462,253	459,977
Investment oversight	<u>308,058</u>	<u>302,639</u>
<u>Total Expenses</u>	<u>6,565,002</u>	<u>7,366,441</u>
Change in Net Assets	(4,611,861)	(4,443,114)
Net Assets		
Beginning of year	<u>137,299,402</u>	<u>141,742,516</u>
End of year	<u>\$ 132,687,541</u>	<u>\$ 137,299,402</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets for year	\$ (4,611,861)	\$ (4,443,114)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	31,341	31,341
Net realized and unrealized (gain) on investments	(667,150)	(2,295,152)
Decrease (increase) in assets:		
Interest and dividends receivable	7,138	(5,519)
Prepaid expenses and other assets	(136,484)	660
Prepaid taxes	34,000	(116,412)
Receivables	(25,706)	(15,193)
Increase (decrease) in liabilities:		
Grants payable	(254,812)	123,722
Accounts payable and accrued expenses	8,914	25,267
Taxes payable	-	(53,215)
Deferred federal excise tax	(142,926)	(74,666)
Net cash used in operating activities	<u>(5,757,546)</u>	<u>(6,822,281)</u>
Cash flows from investing activities:		
Purchases of investments	(25,790,218)	(23,816,841)
Proceeds from sales of investments	22,212,896	36,352,190
Net change in short-term investments	<u>9,335,838</u>	<u>(5,763,136)</u>
Net cash provided by investing activities	<u>5,758,516</u>	<u>6,772,213</u>
Change in operating cash	970	(50,068)
Operating cash		
Beginning of year	<u>423,610</u>	<u>473,678</u>
End of year	<u>\$ 424,580</u>	<u>\$ 423,610</u>
Supplemental Information		
Unrelated business income taxes paid	\$ 250	\$ 10,250
Excise taxes paid	\$ -	\$ 220,000

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>Grants and Program Management</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>2020 Total</u>
Grants	\$ 4,556,491	\$ -	\$ -	\$ 4,556,491
Salaries	507,110	182,139	177,088	866,337
Payroll taxes and benefits	148,647	75,751	41,448	265,846
Occupancy	176,172	61,765	59,933	297,870
Communicatons and grantee convenings	201,421	-	-	201,421
Consulting and professional fees	117,589	74,974	2,965	195,528
Travel, conferences and meetings	13,890	12,456	1,663	28,009
Office expenses	8,089	32,280	2,752	43,121
Systems and technology support	46,746	16,389	15,903	79,038
Depreciation	18,536	6,499	6,306	31,341
	<u>1,238,200</u>	<u>462,253</u>	<u>308,058</u>	<u>2,008,511</u>
Total	<u>\$ 5,794,691</u>	<u>\$ 462,253</u>	<u>\$ 308,058</u>	<u>\$ 6,565,002</u>
	<u>Grants and Program Management</u>	<u>Management and Governance</u>	<u>Investment Oversight</u>	<u>2019 Total</u>
Grants	\$ 5,637,437	\$ -	\$ -	\$ 5,637,437
Salaries	416,605	161,759	164,535	742,899
Payroll taxes and benefits	148,930	85,814	42,723	277,467
Occupancy	169,715	60,913	61,182	291,810
Communicatons and grantee convenings	64,955	-	-	64,955
Consulting and professional fees	80,549	73,719	2,810	157,078
Travel, conferences and meetings	19,013	26,555	7,372	52,940
Office expenses	8,200	30,249	2,956	41,405
Systems and technology support	40,193	14,426	14,490	69,109
Depreciation	18,228	6,542	6,571	31,341
	<u>966,388</u>	<u>459,977</u>	<u>302,639</u>	<u>1,729,004</u>
Total	<u>\$ 6,603,825</u>	<u>\$ 459,977</u>	<u>\$ 302,639</u>	<u>\$ 7,366,441</u>

See accompanying notes to financial statements.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

1. Organization and Tax Status

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

The Foundation reports information regarding its financial position and activities based upon the existence or absence of donor restrictions on its net assets. The Foundation's net assets are not restricted by donor-imposed restrictions and are all classified as net assets without donor restriction.

Cash

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

Leasehold Improvements, Furniture and Equipment

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

Grants

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

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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

Investments

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

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

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

Fair Value Measurement of Investments

The Foundation follows Financial Accounting Standards Board (FASB) guidance for *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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

Subsequent Events

In connection with the preparation of the financial statements the Foundation evaluated subsequent events after the statement of financial position date of June 30, 2020 through November 19, 2020 which was the date the financial statements were available to be issued.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Functional Allocation of Expenses

The financial statements report certain categories of expenses, such as occupancy, travel, meetings and conferences, and office expense that are attributable to one or more program or supporting function of the Foundation. These expenses are allocated based on estimated time and use. In addition, salary and related benefit costs are allocated based on time and effort of staff.

Uncertain Tax Positions

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation has no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions prior to fiscal year 2017.

3. Investments

Investments as of June 30, 2020 and 2019 consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and short-term investments	\$ 3,155,085	\$ 3,155,213	\$ 12,490,822	\$ 12,491,051
Global equity	46,757,279	60,033,006	43,519,110	59,797,699
Hedge funds	22,907,683	25,622,881	24,031,570	24,528,268
Private equity	29,708,035	32,131,019	29,055,298	32,430,445
Fixed income	14,696,833	13,895,232	11,444,957	10,681,254
	<u>\$ 117,224,915</u>	<u>\$ 134,837,351</u>	<u>\$ 120,541,757</u>	<u>\$ 139,928,717</u>

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

3. **Investments** (Continued)

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

	2020		
	Total	Level 1	Valued at NAV
Global equity			
Common stocks			
Oil and gas	\$ 8,052,954	\$ 8,052,954	\$ -
ETF global equity	12,767,095	12,767,095	-
Developed market funds			
Global equity	17,729,797	-	17,729,797
European equity	6,611,388	-	6,611,388
Japan equity	2,167,580	-	2,167,580
US healthcare	7,086,120	-	7,086,120
Emerging market funds	5,618,072	-	5,618,072
Hedge funds			
Long/short	15,732,494	-	15,732,494
Specialized credit	5,867,855	-	5,867,855
Special situations	4,022,532	-	4,022,532
Private equity	32,131,019	-	32,131,019
Fixed income			
ETF treasuries	13,686,882	13,686,882	-
Other fixed income funds	208,350	-	208,350
	131,682,138	<u>\$ 34,506,931</u>	<u>\$ 97,175,207</u>
Cash and short-term investments	<u>3,155,213</u>		
	<u>\$ 134,837,351</u>		

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

3. **Investments** (Continued)

	2019		Valued at NAV
	Total	Level 1	
Global equity			
Common stocks			
Oil and gas	\$ 13,799,147	\$ 13,799,147	\$ -
Information technology	1,106,346	1,106,346	-
Chemicals	735,019	735,019	-
Consumer discretionary	446,637	446,637	-
Other	365,540	365,540	-
ETF global equity	7,650,951	7,650,951	-
Developed market funds			
Global equity	16,408,519	-	16,408,519
European equity	7,179,527	-	7,179,527
Japan equity	1,993,932	-	1,993,932
US healthcare	3,466,281	-	3,466,281
Emerging market funds	6,645,800	-	6,645,800
Hedge funds			
Long/short	14,575,374	-	14,575,374
Specialized credit	5,030,954	-	5,030,954
Special situations	4,921,940	-	4,921,940
Private equity	32,430,445	-	32,430,445
Fixed income			
ETF treasuries	10,203,613	10,203,613	-
Other fixed income funds	477,641	-	477,641
	<u>127,437,666</u>	<u>\$ 34,307,253</u>	<u>\$ 93,130,413</u>
Cash and short-term investments	<u>12,491,051</u>		
	<u>\$ 139,928,717</u>		

Included in common stock is the Foundation's holding in Exxon Mobil Corporation common stock. This investment's fair value was \$8,052,954 and \$13,799,147 as of June 30, 2020 and 2019, respectively, which represents approximately six percent and ten percent of the total assets of the Foundation in 2020 and 2019, respectively.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

3. Investments (Continued)

Information about the investments valued at NAV is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Notice Requirement</u>
Global equity funds (a)	\$ 5,862,877	\$ -	Monthly	6-10 days
Global equity funds (a)	24,000,572		- Quarterly	30-90 days
Global equity funds (a)	2,738,120		- Lock-up through Jan. 2021	90 days
Global equity funds (a)	6,611,388		- Lock-up through Nov. 2021	90 days
Hedge funds (b)	5,987,244		- Quarterly	60 days
Hedge funds (b)	5,022,949		- Annual	30 days
Hedge funds (b)	7,260,672	978,081	2-3 years for full redemption	40-60 days
Hedge funds (b)	2,712,166		- Lock-up through Mar. 2022	
Hedge funds (b)	4,639,850	899,383	Illiquid	
Private equity (c)	32,131,019	12,695,977	Illiquid	
Fixed income (d)	208,350	90,961	Illiquid	
	<u>\$ 97,175,207</u>	<u>\$ 14,664,402</u>		

- (a) Global equity funds consist of twelve funds valued at NAV, three using the global equity strategy, four using an emerging markets strategy, two using the European equity strategy, a Japan equity fund, and two US healthcare funds.
- (b) Hedge funds consist of ten investments valued at NAV. Five funds employ the long/short strategy, three employ a specialized credit strategy, and two use a special situations strategy.
- (c) Private equity consists of forty-four funds valued at NAV. They use various strategies including real estate, buy-out and energy.
- (d) Fixed income funds valued at NAV consist of two funds following specialized credit strategies.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. Net Investment Return

Net investment return for the years ended June 30, 2020 and 2019 consists of the following:

	2020	2019
Interest, dividends and partnership earnings	\$ 2,932,814	\$ 2,575,541
Realized gains	2,441,674	6,028,439
Unrealized (losses) gains	<u>(1,774,524)</u>	<u>(3,733,287)</u>
	3,599,964	4,870,693
Direct investment expenses	<u>(1,757,880)</u>	<u>(1,961,949)</u>
	<u>\$ 1,842,084</u>	<u>\$ 2,908,744</u>

5. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use within one year of that date due to contractual or donor-imposed restrictions:

	2020	2019
Investments, at fair value	\$ 134,837,351	\$ 139,928,717
Operating cash	424,580	423,610
Interest and dividends receivable	177	7,315
Other receivables	<u>433,706</u>	<u>408,000</u>
	135,695,814	140,767,642
Less:		
Illiquid investments	(53,563,445)	(48,503,866)
Interest in split-term life insurance policy	<u>(433,706)</u>	<u>(408,000)</u>
	<u>\$ 81,698,663</u>	<u>\$ 91,855,776</u>

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

6. Concentration of Risk

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

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

7. Leasehold Improvements, Furniture and Equipment

Leasehold improvements, furniture and equipment as of June 30, 2020 and 2019 are comprised of the following:

	2020	2019
Leasehold improvements	\$234,447	\$234,447
Furniture and equipment	234,011	234,011
Paintings	30,480	30,480
	498,938	498,938
Less: accumulated depreciation and amortization	(310,887)	(279,546)
	\$188,051	\$219,392

8. Federal Excise Tax

In accordance with the applicable provisions of the Internal Revenue Code (the "Code"), the Foundation is subject to a Federal excise tax of two percent on its net investment income as defined by the Code. A reduction of the tax rate to one percent can be achieved by meeting qualifications under Code Section 4940(c). The Foundation's excise tax rate was 1% and 2% for 2020 and 2019, respectively. For the year ended June 30, 2020, excise tax expense was approximately \$34,000. The comparable amount for 2019 was \$59,573.

Some of the Foundation's investments generated unrelated business income. This income is subject to tax at the corporate tax rates. For the years ended June 30, 2020 and 2019, these investments generated losses which can be carried back or forward.

On December 20, 2019, the Further Consolidated Appropriations Act of 2020 (the "Act") was signed into law, simplifying the federal excise tax on private foundations. The Act eliminated the two-tiered system of excise tax and replaced it with a flat excise tax rate of 1.39%. The flat rate is effective July 1, 2020 for the Foundation. The deferred tax liability is calculated at 1.39% and 2% of unrealized appreciation at June 30 2020 and 2019, respectively. Changes to the liability for deferred tax on the unrealized appreciation amounted to a decrease of approximately \$143,000 for the year ended June 30, 2020 and a decrease of approximately \$75,000 for the year ended June 30, 2019, respectively.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

9. Retirement Plans

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

The defined contribution profit sharing plan, was established effective September 1, 2004 and covers all full-time employees. The plan provides for a contribution of ten percent of compensation and is fully vested. The cost of this plan for the years ended June 30, 2020 and 2019 was \$82,133 and \$71,589, respectively.

The Foundation also maintains a 403(b) plan for all employees. The Foundation will match employee contributions to the plan up to five percent of each employee's salary. The cost of this plan for the years ended June 30, 2020 and 2019 was \$41,067 and \$37,646, respectively.

10. Grants Payable

The Foundation's Scholarship Program provides grants to the children of employees of Exxon Mobil Corporation and its affiliates. Awards based on financial need are renewable to the completion of the degree up to a maximum of \$10,000 a year for undergraduate study. Conditional commitments to scholarship recipients, which have not been recognized as an expense, totaled approximately \$720,000 as of June 30, 2020.

Grants are recognized when approved by the Directors of the Foundation. Grants payable represents amounts authorized but scheduled for future payment. Grants to be paid in more than one year are discounted to present value using the treasury bill rate. The commitments outstanding at June 30, 2020, net of the discount to present value, are scheduled for payment as follows:

Year Ending June 30:	2021	\$ 2,107,481
	2022	1,019,999
	2023	<u>98,334</u>
		3,225,814
Less: Discount to present value		<u>(3,785)</u>
		<u>\$ 3,222,029</u>

11. COVID-19

The COVID-19 pandemic has resulted in substantial volatility in the global economy and financial markets. Because of these changing conditions, the impact of these changes to the Foundation's financial position, if any, cannot be determined as this time.

THE TEAGLE FOUNDATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

12. Commitments and Contingencies

Leases

The Foundation has a fifteen year and four-month lease for space in New York City that commenced June 1, 2010. During the first year and two months of the lease, the Foundation received six months free rent. The minimum lease payments are as follows:

Year ending June 30:	2021	\$ 274,775
	2022	281,563
	2023	285,082
	2024	288,646
	2025	292,254
	2026	<u>48,809</u>
		<u>\$1,471,129</u>

Rent expense was \$269,048 and \$263,040 for the years ended June 30, 2020 and 2019, respectively.

13. NEH

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