

**CHILDREN OF ARMENIA FUND, INC.
AND SUBSIDIARY**

Consolidating Financial Statements

December 31, 2020 and 2019



RJSacco & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

300 Carnegie Center, Suite 240, Princeton, NJ 08540

INDEPENDENT AUDITORS' REPORT

Board of Directors
Children of Armenia Fund, Inc. and Subsidiary

We have audited the accompanying consolidated statements of Children of Armenia Fund, Inc. (a nonprofit corporation) and Subsidiary which comprise the statement of financial positions as of December 31, 2020 and 2019 and the related consolidating statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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 consolidating financial statements based on our audits. We did not audit the financial statements of COAF Armenia, a foreign wholly-owned subsidiary, which statements reflect total assets of \$5,976,593 and \$6,040,367 as of December 31, 2020 and 2019, respectively, and total support and revenues of \$2,903,665 and \$2,768,262 for the respective years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for COAF Armenia, is based solely on the reports of the other auditors. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidating financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 the overall presentation of the consolidating 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, based on our audits and the reports of the other auditors, the consolidating financial statements referred to above present fairly, in all material respects, the consolidating financial position of Children of Armenia Fund, Inc. and Subsidiary as of December 31, 2020 and 2019 and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Princeton, NJ
June 28, 2021

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

December 31, 2020 and 2019

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CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Consolidating Statements of Financial Position

December 31, 2020 and 2019

	2020			2019				
	COAF US	COAF Armenia	Eliminations	Consolidated	COAF US	COAF Armenia	Eliminations	Consolidated
Assets								
Cash and cash equivalents	\$ 4,953,368	\$ 271,161	\$ -	\$ 5,224,529	\$ 1,561,532	\$ 93,975	\$ -	\$ 1,655,507
Unconditional promises to give	3,418,219	-	-	3,418,219	4,043,080	-	-	4,043,080
Other current assets	-	85,470	-	85,470	7,798	128,176	-	135,974
Total current assets	8,371,587	356,631	-	8,728,218	5,612,410	222,151	-	5,834,561
Property and equipment - net	-	5,521,537	-	5,521,537	-	5,719,056	-	5,719,056
Long-term investments	961,419	78,143	-	1,039,562	1,255,446	75,047	-	1,330,493
Intangible assets - net	-	20,282	-	20,282	-	24,113	-	24,113
Total other assets	961,419	98,425	-	1,059,844	1,255,446	99,160	-	1,354,606
Total assets	\$ 9,333,006	\$ 5,976,593	\$ -	\$ 15,309,599	\$ 6,867,856	\$ 6,040,367	\$ -	\$ 12,908,223
Liabilities and net assets								
Accounts payable and accrued expenses	\$ 34,976	\$ 71,226	\$ -	\$ 106,202	\$ 31,157	\$ 168,247	\$ -	\$ 199,404
SBA EIDL Loan	150,000	-	-	150,000	-	-	-	-
Grants received and deferred income	-	5,905,367	-	5,905,367	-	5,872,120	-	5,872,120
Total liabilities	184,976	5,976,593	-	6,161,569	31,157	6,040,367	-	6,071,524
Net assets - unrestricted	9,148,030	-	-	9,148,030	6,836,699	-	-	6,836,699
Total net assets	9,148,030	-	-	9,148,030	6,836,699	-	-	6,836,699
Total liabilities and net assets	\$ 9,333,006	\$ 5,976,593	\$ -	\$ 15,309,599	\$ 6,867,856	\$ 6,040,367	\$ -	\$ 12,908,223

See notes to consolidating financial statements.

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Consolidating Statements of Activities

Years Ended December 31, 2020 and 2019

	2020			2019		
	COAF US Restricted	COAF US Unrestricted	COAF Armenia	Eliminations	Consolidated	
Changes in net assets						
Support and revenue						
Contributions	\$ 7,428,054	\$ -	\$ 2,894,875	\$ (3,020,756)	\$ 7,302,173	\$ 5,862,149
Direct costs of fundraising	-	-	-	-	-	(152,051)
Net assets released from restrictions	-	-	-	-	-	-
Interest & other income	5,518	-	8,790	-	14,308	7,456
Gain (loss) on investments	(291,713)	-	-	-	(291,713)	141,370
Total support and revenue	7,141,859	-	2,903,665	(3,020,756)	7,024,768	5,858,924
Expenses						
Program services						
General	2,894,868	-	2,647,727	(3,020,756)	2,521,839	2,570,308
Capital projects	293,729	-	-	-	293,729	175,252
Total program services	3,188,597	-	2,647,727	(3,020,756)	2,815,568	2,745,560
Supporting services						
Management and general	175,516	-	255,938	-	431,454	302,343
Fundraising	379,015	-	-	-	379,015	362,352
Total supporting services	554,531	-	255,938	-	810,469	664,695
Bad debts	1,087,400	-	-	-	1,087,400	-
Total expenses	4,830,528	-	2,903,665	(3,020,756)	4,713,437	3,410,255
Increase (Decrease) in unrestricted net assets before foreign currency exchange loss	2,311,331	-	-	-	2,311,331	-
Foreign currency exchange loss	-	-	-	-	-	(37,933)
Increase (decrease) in net assets	2,311,331	-	-	-	2,311,331	-
Net assets - beginning of year	6,836,699	-	-	-	6,836,699	-
Net assets - end of year	\$ 9,148,030	\$ -	\$ -	\$ -	\$ 9,148,030	\$ 6,836,699

NOTE: Eliminations reflect payments made to or on behalf of COAF Armenia from COAF US.

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY
Consolidating Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	2020				2019			
	COAF US	COAF Armenia	Eliminations	Consolidated	COAF US	COAF Armenia	Eliminations	Consolidated
Cash flows from operating activities								
Increase (decrease) in net assets	\$ 2,311,331	\$ -	\$ -	\$ 2,311,331	\$ 2,448,669	\$ -	\$ -	\$ 2,448,669
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities								
Depreciation and amortization	-	404,702	-	404,702	-	338,246	-	338,246
Unrealized loss (gain) on investments	291,713	-	-	291,713	(141,370)	-	-	(141,370)
Loss on disposal of property and equipment	-	8,312	-	8,312	-	31,395	-	31,395
Currency gain (loss)	-	2,643	-	2,643	-	(2,455)	-	(2,455)
(Increase) decrease in								
Unconditional promises to give	624,861	-	-	624,861	(812,621)	-	-	(812,621)
Other current assets	7,798	(34,256)	-	(26,458)	(3,537)	(9,388)	-	(12,925)
Increase (decrease) in								
Grants received and deferred income	-	550,348	-	550,348	-	110,676	-	110,676
Accounts payable	3,819	(89,025)	-	(85,206)	(59,222)	71,347	-	12,125
Net cash (used in) provided by operating activities	3,239,522	842,724	-	4,082,246	1,431,919	539,821	-	1,971,740
Cash flows from investing activities								
Securities received for contributions	-	-	-	-	(991,603)	-	-	(991,603)
Sale (purchases) of long-term investments	2,314	-	-	2,314	-	(75,047)	-	(75,047)
Purchase of property and equipment	-	(665,538)	-	(665,538)	-	(483,179)	-	(483,179)
Net cash provided by (used in) investing activities	2,314	(665,538)	-	(663,224)	(991,603)	(558,226)	-	(1,549,829)
Cash flows from financing activities								
Proceeds from SBA EIDL loan	150,000	-	-	150,000	-	-	-	-
Net cash provided by financing activities	150,000	-	-	150,000	-	-	-	-
Net (decrease) increase in cash and cash equivalents	3,391,836	177,186	-	3,569,022	440,316	(18,405)	-	421,911
Cash and cash equivalents - beginning of year	1,561,532	93,975	-	1,655,507	1,121,216	112,380	-	1,233,596
Cash and cash equivalents - end of year	\$ 4,953,368	\$ 271,161	\$ -	\$ 5,224,529	\$ 1,561,532	\$ 93,975	\$ -	\$ 1,655,507

See notes to consolidating financial statements.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements

December 31, 2020 and 2019

Note 1 - Nature of activities and significant accounting policies

Nature of activities

Since its founding in 2000, Children of Armenia Fund, Inc. ("COAF") and Subsidiary (collectively, the "Fund") has worked to improve education, health care, community life and economic conditions for children in Armenia's impoverished rural villages. At their core, the Fund's programs create and sustain opportunities for growth and progress. Partnerships with the United Nations Development Programs (UNDP), United States Agency for International Development (USAID), the World Bank and the US Embassy in Armenia, along with other local and international organizations, have allowed the Fund to further leverage its resources and contribute to the development of one of the most economically disadvantaged regions of the world.

Over the course of several years, the Fund's regional cluster has grown from one to forty-four villages as the model has evolved and become more effective. Programs are broad and include strategic activity in the areas of Education, Health, Child and Family Services, Community Engagement, Economic Development and Infrastructure Rehabilitation. The Fund's approach to development is holistic and comprehensive, rooted in the belief that long-term results can only be achieved through programs that address the unique issues facing each and every community. Each challenge is addressed from the ground up, working closely with local communities every step of the way.

In May of 2018, the Fund's first SMART Center opened in Lori Province. SMART is an innovative initiative for the advancement of rural communities by providing village youth with resources and opportunities that enable them to pursue their education. SMART will take the experiences working in the villages over the course of several years and spread it out across the Armenian countryside to all 900+ villages.

While the Fund's programs are currently concentrated in rural Armenia, its innovative approach of addressing rural poverty can be applied in any impoverished region of the world. The Fund aspires to form alliances with organizations operating in other regions and to share its methodology in order to eradicate poverty, paving the way for peaceful resolutions to many of the regional conflicts that exist today.

In addition to managing its operations from its headquarters in New York City, the Fund operates through a local entity, Children of Armenia Fund ("COAF Armenia") in order to carry out the implementation of its programs directly on the ground in Armenia.

Principles of consolidation

The accompanying consolidating financial statements include the accounts of COAF and COAF Armenia. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of three months or less that present insignificant risk of changes in value because of changes in interest rates.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements – Continued

December 31, 2020 and 2019

Note 1 - Nature of activities and significant accounting policies - continued

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the consolidating statements of financial position. Gains and losses on investments are reflected in the consolidating statements of activities. Long-term investments consist of marketable securities not available for sale. Gifts in kind consists of gifts of collectible items and are reported at their donor designated values, which the organization believes is representative of fair values.

Unconditional promises to give and contributions

Contributions are recognized when a donor makes an unconditional promise to give to the Fund. Donor restricted contributions, if any, are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Fund uses the allowance method to reserve for uncollectible promises to give. Based on historical experience and analysis of specific promises made, management has determined that a reserve is not needed at December 31, 2020 and 2019. As a result of the ongoing COVID-19 pandemic and a certain changes to programs in Armenia, management determined that \$1,087,400 of receivables are no longer collectible as of December 31, 2020. Management believe this is a one-time event and the losses are isolated to 2020 and all remaining receivables are fully collectible.

Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	20 years
Automobiles	10 years
Office equipment	3 - 5 years

Intangible assets

Intangible assets are recorded at cost and amortized using the straight-line method over the estimated useful life of the related asset of 5 years. Amortization expense included in the consolidating statements of activities for the years ended December 31, 2020 and 2019 was \$968 and \$1,482, respectively.

Contributed services

No amounts have been reflected in the consolidating financial statements for donated services or for the use of the Fund's headquarters in New York City. Several individuals volunteer their time and perform a variety of tasks that assist the Fund. These services do not meet the criteria for recognition as contributed services. In addition, management has determined that the incidental use of space is deemed to be immaterial.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary
Notes to Consolidating Financial Statements - Continued
December 31, 2020 and 2019

Note 1 - Nature of activities and significant accounting policies - continued

Revenue recognition

The Fund has three main sources of revenue. Contributions and pledges related to fundraising events are recorded as unconditional promises to give at the time they are made. General contributions and public support are recorded as they are received. Contributions may be recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and nature of any donor restrictions. In addition, revenue related to attendance at fundraising events is recorded as received.

Tax status

COAF is exempt from federal income taxes as an organization qualifying under Section 501(c) (3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. In accordance with ASC 740, "Income Taxes", the Fund has evaluated all uncertain tax positions and deems that more likely than not all positions would be sustained should an examination occur by a taxing authority. The years 2016 through 2020 remain open to examination by the Internal Revenue Service.

COAF Armenia is subject to the laws of Armenia and has various information reporting requirements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

The 2019 consolidating financial statements have been reclassified to conform to the 2020 presentation. Management believes that the current reporting system is more representative of actual operations and any differences with prior years' presentations is not significant.

Note 2 - Restriction on net assets

Net assets may be restricted for future periods and programs. During 2018 the Organization received donor pledges earmarked for a future dormitory and playground site in Armenia. These donations are treated as restricted net assets in 2018. The amount of the Donations were for \$550,000. The Organization treated these donations as current because both projects commenced during 2019. The projects were complete in 2019 and, accordingly, the restrictions were removed.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2020 and 2019

Note 3 - Concentrations

The Fund maintains its cash balances and investments in financial institutions located in the United States and Armenia. The cash and investment balances maintained in the United States, at times, may exceed federally insured limits. The Fund has not experienced any losses on these balances. The Majority of fundraising is derived from the annual gala. The annual gala accounted for approximately 72% and 86% of the organization's revenue in 2020 and 2019, respectively.

Note 4 - Unconditional promises to give

Unconditional promises to give are contributions that are receivable in less than one year and may include unrestricted and restricted promises to give designated for future programs. Generally, promises to give are unrestricted and earned at a year-end fundraising event to fund future projects. Approximately 45% and 80% of all promises to give were less than 30 days outstanding as of December 31, 2020 and 2019, respectively, and management believes that all promises to give are collectible.

Note 5 - Investments

At December 31, 2020 and 2019, long-term investments consist of shares of common stock of Agenus, Inc., a publicly traded company and shares of a privately owned limited liability company. The value of Agenus, Inc. common stock was reported at fair market value as determined by the publicly traded price. The value of the limited liability company was reported based on management's estimate of its liquidity value based on the value of the underlying assets consisting of cash, Agenus, Inc. common stock and notes receivable.

A summary of changes in fair value of the Fund's investments for the years ended December 31, 2020 and 2019 follows:

	Long-term Investments
Balance - December 31, 2018	\$ 122,473
Purchase and contribution of investments	1,066,650
Unrealized gain	141,370
Balance - December 31, 2019	1,330,493
Sale and transfer of investments	(2,314)
Unrealized gain	(288,617)
Balance - December 31, 2020	<u>\$ 1,039,562</u>

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary
Notes to Consolidating Financial Statements - Continued

December 31, 2020 and 2019

Note 6 - Property and equipment

At December 31, 2020 and 2019, property and equipment consist of the following:

	2020	2019
Land, building and improvements	\$ 5,702,610	\$ 5,739,162
Automobiles	133,516	127,665
Computers and office equipment	664,682	556,383
	<u>6,500,808</u>	<u>6,423,210</u>
Accumulated depreciation	(979,271)	(704,155)
	<u>(979,271)</u>	<u>(704,155)</u>
Property & equipment - net	<u>\$ 5,521,537</u>	<u>\$ 5,719,056</u>

Depreciation expense included in the consolidating statements of activities for the years ended December 31, 2020 and 2019 was \$404,702 and \$336,764, respectively.

Note 7 - Fair value measurements

The Financial Accounting Standards Board established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. Such inputs include quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models; discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in marketable equity securities at December 31, 2020 and 2019 are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values which approximate cost.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary
Notes to Consolidating Financial Statements - Continued

December 31, 2020 and 2019

Note 7 - Fair value measurements - continued

The Fund's receipt of gifts in kind is classified within Level 3 of the fair value hierarchy because the items trade infrequently (or not at all) and, therefore, have little or no readily available pricing. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. For positions that are not traded in active markets or are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability and such adjustments are generally based on available market information. In the absence of such evidence, management's best estimate is used.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2020 and 2019 are as follows:

<u>Description</u>	<u>Type</u>	<u>2020</u>	<u>2019</u>
Long-term investments			
Marketable securities	Level 1	\$ 961,419	\$ 1,230,491
Certificate of deposit	Level 1	78,143	75,047
Minority LLC interest	Level 3	-	24,955
Total long-term investments		<u>\$ 1,039,562</u>	<u>\$ 1,330,493</u>
Gifts in kind			
	Level 3	<u>\$ -</u>	<u>\$ -</u>

The organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2020 and 2019.

Long-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary
Notes to Consolidating Financial Statements - Continued

December 31, 2020 and 2019

Note 8 – Long-term debt

On September 3, 2020, the Organization obtained financing through the Small Business Association's Economic Injury Disaster Loan program in the amount of \$150,000 to aid against negative impacts against the Organization's administrative operations as a result of the COVID-19 pandemic. Under the terms of the program, all payments due are deferred for 12 months from the date of the promissory note. The loan is an installment note payable requiring monthly installments of \$641, including interest at 2.75% per annum, beginning October 3, 2021 with the unpaid balance due at maturity on September 3, 2050. The loan is secured by virtually all assets of the Organization, primarily deposit accounts and pledges receivable.

Future principal payments on long-term debt for the years ended December 31 follow:

2021	\$ -
2022	208
2023	3,618
2024	3,718
2025	3,822
Thereafter	<u>138,634</u>
Total long-term debt	<u>\$ 150,000</u>

Note 9 - Functional allocation of expenses

The cost of providing the various program and supporting services for COAF has been summarized on a functional basis in the consolidating statements of activities. Accordingly, certain costs have been allocated among the program and its supporting services.

Note 10 – Liquidity and availability of financial assets

The Organization has an operating capital that had a balance of \$9.89 million and \$6.48 million at December 31, 2020 and 2019, respectively. The governing board has not set a designated reserve as of the balance sheet date to draw upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. The Organization plans to set a target for this reserve during the 2021 fiscal year to be determined based on management's judgement about the appropriate amount of funds to have set aside in addition to working capital. The current operating capital funds are held in lower-risk cash while investments are comprised of one common stock security.

The following chart reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designation. Amounts not available include amounts set aside for long-term investing in the operating and capital reserves that could be drawn upon if the governing board approves that action. There were no such amounts not available for use as of December 31, 2020 and 2019.

See independent auditors' report.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2020 and 2019

Note 10 – Liquidity and availability of financial assets (continued)

At December 31, 2020 and 2019, financial assets available to meet cash needs for general expenditure follow:

	2020	2019
Cash	\$ 5,426,300	\$ 1,655,507
Investments	1,045,837	1,330,493
Receivables	3,418,219	3,493,080
Total financial assets	9,890,356	6,479,080
Donor & board restrictions	-	-
Total financial assets available	<u>\$ 9,890,356</u>	<u>\$ 6,479,080</u>

Note 11 – Risks and uncertainties

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the organization's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The organization is exposed to currency risk to the extent that there is a mismatch between currencies in which cash and cash equivalent and grants related to income are denominated and the functional currency of the organization. The currency in which these transactions are primarily denominated is USD.

Note 12 - Subsequent events

The Organization has evaluated subsequent events through June 28, 2021, the date that the consolidating financial statements were available to be issued.

See independent auditors' report.

SUPPLEMENTARY INFORMATION



RJSacco & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

300 Carnegie Center, Suite 240, Princeton, NJ 08540

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors

Children of Armenia Fund, Inc. and Subsidiary

We have audited the consolidating financial statements of Children of Armenia Fund, Inc. and Subsidiary as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Functional Expenses - Children of Armenia Fund, Inc. is presented for purposes of additional analysis and is not required as part of the consolidating financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidating financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidating financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read 'RJSacco & Co. LLP'.

Princeton, NJ

June 28, 2021

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY
Schedule of Functional Expenses - Children of Armenia Fund, Inc.

Years Ended December 31, 2020 and 2019

	2020				2019			
	Program Services	Management and General	Supporting Services Fundraising	Total Supporting	Program Services	Management and General	Supporting Services Fundraising	Total Supporting
				Expenses				Expenses
Grants	\$ 2,756,451	\$ -	\$ -	\$ 2,756,451	\$ 2,430,409	\$ -	\$ -	\$ 2,430,409
Direct programs	293,729	-	-	293,729	175,252	-	-	175,252
Bank and credit card fees	-	3,333	-	3,333	-	13,102	5,797	18,899
Consignment costs	-	-	51,940	51,940	-	-	-	-
Consultants	36,978	36,978	-	73,956	100,206	-	100,206	200,412
Event costs	-	-	174,347	174,347	-	-	140,937	140,937
Media and other program expenses	-	-	27,650	27,650	39,783	262	53,241	93,286
Office & other administrative expenses	21,869	21,869	38,093	81,831	-	4,424	4,093	8,517
Staffing	79,570	79,570	79,570	238,710	41,472	41,312	41,312	124,096
Postage	-	3,608	-	3,608	3,527	3,527	-	7,054
Professional fees	-	22,743	-	22,743	-	31,056	-	31,056
Travel	-	7,415	7,415	14,830	21,152	16,766	16,766	54,684
Total expenses	\$ 3,188,597	\$ 175,516	\$ 379,015	\$ 554,531	\$ 2,811,801	\$ 110,449	\$ 362,352	\$ 472,801
				\$ 3,743,128				\$ 3,284,602