

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

Consolidating Financial Statements

December 31, 2017 and 2016



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, 2017 and 2016 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 \$5,089,752 and \$2,463,847 as of December 31, 2017 and 2016, respectively, and total support and revenues of \$1,348,190 and \$1,204,257 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, 2017 and 2016 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.

RJSacco & Company LLP

Princeton, NJ
April 24, 2018

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

December 31, 2017 and 2016

Table of Contents

	<u>Page</u>
Financial statements	
Consolidating statements of financial position	1
Consolidating statements of activities	2
Consolidating statements of cash flows	3
Notes to consolidating financial statements	4
Supplementary information	
Independent auditors' report on supplementary information	11
Schedule of functional expenses - Children of Armenia Fund, Inc.	12

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Consolidating Statements of Financial Position

December 31, 2017 and 2016

	2017				2016			
	COAF US	COAF Armenia	Eliminations	Consolidated	COAF US	COAF Armenia	Eliminations	Consolidated
Assets								
Cash and cash equivalents	\$ 824,132	\$ 265,564	\$ -	\$ 1,089,696	\$ 448,080	\$ 186,974	\$ -	\$ 635,054
Unconditional promises to give								
Unrestricted	2,740,823	-	-	2,740,823	2,341,783	-	-	2,341,783
Other current assets	4,261	133,946	-	138,207	725	135,486	-	136,211
Total current assets	3,569,216	399,510	-	3,968,726	2,790,588	322,460	-	3,113,048
Property and equipment - net	-	4,690,209	-	4,690,209	-	2,141,319	-	2,141,319
Long-term investments	230,029	-	-	230,029	1,684,928	-	-	1,684,928
Investment - gifts in kind	25,000	-	-	25,000	25,000	-	-	25,000
Intangible assets - net	-	33	-	33	-	68	-	68
Total other assets	255,029	33	-	255,062	1,709,928	68	-	1,709,996
Total assets	\$ 3,824,245	\$ 5,089,752	\$ -	\$ 8,913,997	\$ 4,500,516	\$ 2,463,847	\$ -	\$ 6,964,363
Liabilities and net assets								
Accounts payable and accrued expenses	\$ 84,600	\$ 278,451	\$ -	\$ 363,051	\$ 132,070	\$ 40,991	\$ -	\$ 173,061
Grants received and deferred income	-	4,773,390	-	4,773,390	-	2,385,052	-	2,385,052
Total liabilities	84,600	5,051,841	-	5,136,441	132,070	2,426,043	-	2,558,113
Net assets								
Unrestricted	3,739,645	37,911	-	3,777,556	4,368,446	37,804	-	4,406,250
Total net assets	3,739,645	37,911	-	3,777,556	4,368,446	37,804	-	4,406,250
Total liabilities and net assets	\$ 3,824,245	\$ 5,089,752	\$ -	\$ 8,913,997	\$ 4,500,516	\$ 2,463,847	\$ -	\$ 6,964,363

See notes to consolidating financial statements.

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Consolidating Statements of Activities

Years Ended December 31, 2017 and 2016

	2017				2016			
	COAF US	COAF Armenia	Eliminations	Consolidated	COAF US	COAF Armenia	Eliminations	Consolidated
Changes in unrestricted net assets								
Support and revenue								
Contributions	\$ 352,966	\$ 1,348,190	\$ (1,223,105)	\$ 478,051	\$ 231,314	\$ 1,204,257	\$ (1,158,760)	\$ 276,811
Fundraising benefits	3,746,791	-	-	3,746,791	3,186,625	-	-	3,186,625
Direct costs of fundraising	(142,410)	-	-	(142,410)	(184,867)	-	-	(184,867)
Interest income	3,383	-	-	3,383	6,719	-	-	6,719
Unrealized gain on investments	70,297	-	-	70,297	125,228	-	-	125,228
Total support and revenue	<u>4,031,027</u>	<u>1,348,190</u>	<u>(1,223,105)</u>	<u>4,156,112</u>	<u>3,365,019</u>	<u>1,204,257</u>	<u>(1,158,760)</u>	<u>3,410,516</u>
Expenses								
Program services								
General	1,438,752	1,203,542	(1,223,105)	1,419,189	1,256,289	1,045,821	(1,158,760)	1,143,350
Capital projects	2,313,674	-	-	2,313,674	1,504,179	-	-	1,504,179
Total program services	<u>3,752,426</u>	<u>1,203,542</u>	<u>(1,223,105)</u>	<u>3,732,863</u>	<u>2,760,468</u>	<u>1,045,821</u>	<u>(1,158,760)</u>	<u>2,647,529</u>
Supporting services								
Management and general	347,373	144,534	-	491,907	598,169	159,154	-	757,323
Fundraising	517,579	-	-	517,579	297,491	-	-	297,491
Total supporting services	<u>864,952</u>	<u>144,534</u>	<u>-</u>	<u>1,009,486</u>	<u>895,660</u>	<u>159,154</u>	<u>-</u>	<u>1,054,814</u>
Bad debt	42,450	-	-	42,450	750,000	-	-	750,000
Total expenses	<u>4,659,828</u>	<u>1,348,076</u>	<u>(1,223,105)</u>	<u>4,784,799</u>	<u>4,406,128</u>	<u>1,204,975</u>	<u>(1,158,760)</u>	<u>4,452,343</u>
Decrease in unrestricted net assets before foreign currency exchange loss	(628,801)	114	-	(628,687)	(1,041,109)	(718)	-	(1,041,827)
Foreign currency exchange loss	-	(7)	-	(7)	-	(14)	-	(14)
Decrease in net assets	(628,801)	107	-	(628,694)	(1,041,109)	(732)	-	(1,041,841)
Net assets - beginning of year	4,368,446	37,804	-	4,406,250	5,409,555	38,536	-	5,448,091
Net assets - end of year	<u>\$ 3,739,645</u>	<u>\$ 37,911</u>	<u>\$ -</u>	<u>\$ 3,777,556</u>	<u>\$ 4,368,446</u>	<u>\$ 37,804</u>	<u>\$ -</u>	<u>\$ 4,406,250</u>

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

See notes to consolidating financial statements.

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Consolidating Statements of Cash Flows

Years Ended December 31, 2017 and 2016

	2017				2016			
	COAF US	COAF Armenia	Eliminations	Consolidated	COAF US	COAF Armenia	Eliminations	Consolidated
Cash flows from operating activities								
Increase in net assets	\$ (628,801)	\$ 114	\$ -	\$ (628,687)	\$ (1,041,109)	\$ (718)	\$ -	\$ (1,041,827)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities								
Depreciation and amortization	-	62,812	-	62,812	-	55,275	-	55,275
Unrealized loss (gain) on investments	(39,387)	-	-	(39,387)	(125,228)	-	-	(125,228)
Currency gain (loss)	-	(4,902)	-	(4,902)	-	(7)	-	(7)
(Increase) decrease in								
Unconditional promises to give	(399,040)	-	-	(399,040)	149,967	-	-	149,967
Other current assets	(3,536)	79,811	-	76,275	-	34,691	-	34,691
Increase (decrease) in								
Grants received and deferred income	-	1,076,686	-	1,076,686	-	(64,066)	-	(64,066)
Accounts payable	(47,470)	238,565	-	191,095	36,080	13,599	-	49,679
Net cash (used in) provided by operating activities	(1,118,234)	1,453,086	-	334,852	(980,290)	38,774	-	(941,516)
Cash flows from investing activities								
Securities received for contributions	(128,892)	-	-	(128,892)	(986,972)	-	-	(986,972)
Sale of securities	1,623,178	-	-	1,623,178	916,377	-	-	916,377
Purchase of property and equipment	-	(1,374,496)	-	(1,374,496)	-	(89,623)	-	(89,623)
Net cash provided by (used in) investing activities	1,494,286	(1,374,496)	-	119,790	(70,595)	(89,623)	-	(160,218)
Net (decrease) increase in cash and cash equivalents	376,052	78,590	-	454,642	(1,050,885)	(50,849)	-	(1,101,734)
Cash and cash equivalents - beginning of year	448,080	186,974	-	635,054	1,498,965	237,823	-	1,736,788
Cash and cash equivalents - end of year	\$ 824,132	\$ 265,564	\$ -	\$ 1,089,696	\$ 448,080	\$ 186,974	\$ -	\$ 635,054

See notes to consolidating financial statements.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements

December 31, 2017 and 2016

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 will open 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.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

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, 2017 and 2016. During 2017, the company recognized \$42,450 as bad debt expense. During 2016, management determined that a \$750,000 pledge receivable was not collectible and written off as a bad debt.

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, 2017 and 2016 was \$33 and \$68, 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.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

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 2013 through 2016 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 2016 consolidating financial statements have been reclassified to conform to the 2017 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, either permanently or temporarily, for future periods and programs. There were no restricted net assets in 2017 and 2016.

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 87% and 90% of the organization's revenue in 2017 and 2016, respectively.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

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. There were no restricted promises to give in 2017 or 2016. Approximately 69% and 55% of all promises to give were less than 30 days outstanding as of December 31, 2017 and 2016, respectively, and management believes that all promises to give are collectible.

Note 5 - Investments

At December 31, 2017 and 2016, 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, 2017 and 2016 follows:

	Long-term Investments
Balance - December 31, 2015	\$ 1,489,105
Purchase and contribution of investments	986,971
Sale and transfer of investments	(916,376)
Unrealized gain	125,228
Balance - December 31, 2016	1,684,928
Purchase and contribution of investments	128,892
Sale and transfer of investments	(1,623,178)
Unrealized gain	39,387
Balance - December 31, 2017	\$ 230,029

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

Note 6 - Property and equipment

At December 31, 2017 and 2016, property and equipment consist of the following:

	2017	2016
Land, building and improvements	\$ 4,481,516	\$ 1,936,248
Automobiles	194,920	194,920
Computers and office equipment	270,143	193,700
Accumulated foreign currency loss	(55,650)	(45,641)
	<u>4,890,929</u>	<u>2,279,227</u>
Accumulated depreciation	(200,720)	(137,908)
	<u>\$ 4,690,209</u>	<u>\$ 2,141,319</u>

Depreciation expense included in the consolidating statements of activities for the years ended December 31, 2017 and 2016 was \$62,812 and \$55,275, 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, 2017 and 2016 are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values which approximate cost.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

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, 2017 and 2016 are as follows:

<u>Description</u>	<u>Type</u>	<u>2017</u>	<u>2016</u>
		<hr/> <hr/>	<hr/> <hr/>
Long-term investments			
Marketable securities	Level 1	\$ 205,074	\$ 1,659,973
Privately owned company	Level 3	24,955	24,955
Total long-term investments		<hr/> <u>\$ 230,029</u>	<hr/> <u>\$ 1,684,928</u>
Gifts in kind	Level 3	<hr/> <u>\$ 25,000</u>	<hr/> <u>\$ 25,000</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, 2017 and 2016.

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.

Children of Armenia Fund, Inc. and Subsidiary

Notes to Consolidating Financial Statements - Continued

December 31, 2017 and 2016

Note 8 - 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 9 - 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 10 - Subsequent events

The Organization has evaluated subsequent events through April 24, 2018, the date that the consolidating financial statements were available to be issued.

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, 2017 and 2016, and have issued our report thereon dated April 24, 2018, 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.

RJSacco & Company LLP

Princeton, NJ
April 24, 2018

CHILDREN OF ARMENIA FUND, INC. AND SUBSIDIARY

Schedule of Functional Expenses - Children of Armenia Fund, Inc.

Years Ended December 31, 2017 and 2016

	2017				2016					
	Program Services	Management and General	Supporting Services		Total Expenses	Program Services	Management and General	Supporting Services		Total Expenses
			Fundraising	Total Supporting				Fundraising	Total Supporting	
Grants	\$ 1,224,609	\$ -	\$ -	\$ -	\$ 1,224,609	\$ 1,161,260	\$ -	\$ -	\$ -	\$ 1,161,260
Direct programs	2,313,674	-	-	-	2,313,674	1,519,573	-	-	-	1,519,573
Bank and credit card fees	50	13,895	2,037	15,932	15,982	-	5,306	13,078	18,384	18,384
Consultants	21,091	55,908	60,351	116,259	137,350	500	273,106	46,622	319,728	320,228
Dues and subscriptions	-	-	-	-	-	-	431	-	431	431
Event costs	-	17,052	318,427	335,479	335,479	-	1,407	151,546	152,953	152,953
Software development	42,000	-	-	-	42,000	-	-	-	-	-
Media and other program expenses	-	34,608	16,802	51,410	51,410	-	48,618	5,252	53,870	53,870
Office supplies	-	358	-	358	358	-	2,289	307	2,596	2,596
Other administrative expenses	347	9,537	617	10,154	10,501	235	51,459	2,240	53,699	53,934
Staffing	108,091	157,712	109,481	267,193	375,284	54,037	146,019	54,037	200,056	254,093
Postage	-	3,837	-	3,837	3,837	-	4,971	555	5,526	5,526
Printing	-	368	-	368	368	2,838	6,995	1,924	8,919	11,757
Professional fees	-	37,994	8,455	46,449	46,449	-	39,406	619	40,025	40,025
State annual fees	-	-	-	-	-	-	4,632	-	4,632	4,632
Travel	42,564	16,104	1,409	17,513	60,077	22,025	13,530	21,311	34,841	56,866
Total expenses	<u>\$ 3,752,426</u>	<u>\$ 347,373</u>	<u>\$ 517,579</u>	<u>\$ 864,952</u>	<u>\$ 4,617,378</u>	<u>\$ 2,760,468</u>	<u>\$ 598,169</u>	<u>\$ 297,491</u>	<u>\$ 895,660</u>	<u>\$ 3,656,128</u>

See independent auditors' report on supplementary information.