ARMENIAN GENERAL BENEVOLENT UNION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

ARMENIAN GENERAL BENEVOLENT UNION

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CBIZ CPAs P.C.

68 South Service Road
Suite 300
Melville, NY 11747

P: 631.414.4000

Independent Auditors' Report

To the Board of Directors of
Armenian General Benevolent Union:

Opinion

We have audited the financial statements of Armenian General Benevolent Union, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Armenian General Benevolent Union as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Armenian General Benevolent Union and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Year Financial Statements

The financial statements of Armenian General Benevolent Union as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated November 22, 2024, expressed an unmodified opinion on those statements.

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 Armenian General Benevolent Union's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 GAAS 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 GAAS, 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 Armenian General Benevolent Union'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 Armenian General Benevolent Union'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.

CBIZ CPAs P.C.

Melville, NY
November 17, 2025

ARMENIAN GENERAL BENEVOLENT UNION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
Assets		
Cash	$ 4,766,468	$ 8,108,777
Certificates of deposit	2,133,690	647,098
Prepaid expenses	98,299	85,683
Investments	258,348,340	240,631,510
Beneficial interest in split interest agreements and perpetual trusts	33,371,929	33,364,517
Contributions receivable	2,159,089	2,361,485
Other receivables	1,611,293	904,259
Due from related parties	5,176,057	4,382,502
Property and equipment, at cost less accumulated depreciation and amortization	34,598,465	33,464,938
Total Assets	$ 342,263,630	$ 323,950,769
Liabilities and Net Assets		
Liabilities		
Accounts payable and other liabilities	$ 4,483,620	$ 4,430,558
Due to related parties	542,650	793,045
Total Liabilities	5,026,270	5,223,603
Net Assets (Deficit)		
Without Donor Restrictions		
Operating	(12,686,165)	(15,203,871)
Board designated	19,049,559	16,019,410
Total Without Donor Restrictions	6,363,394	815,539
With Donor Restrictions	330,873,966	317,911,627
Total Net Assets	337,237,360	318,727,166
Total Liabilities and Net Assets	$ 342,263,630	$ 323,950,769

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

ARMENIAN GENERAL BENEVOLENT UNION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues						
Public Support						
Contributions	$ 8,628,965	$ 12,841,941	$ 21,470,906	$ 7,325,808	$ 16,988,596	$ 24,314,404
Other	2,259,732	--	2,259,732	2,089,934	--	2,089,934
Total Public Support	10,888,697	12,841,941	23,730,638	9,415,742	16,988,596	26,404,338
Revenues						
Tuition and other school income	1,301,573	--	1,301,573	1,041,737	--	1,041,737
Investment return, net, appropriated for spending	4,447,858	7,881,922	12,329,780	2,958,405	8,294,270	11,252,675
Total Revenues	16,638,128	20,723,863	37,361,991	13,415,884	25,282,866	38,698,750
Net assets released from donor restrictions	13,228,874	(13,228,874)	--	12,211,699	(12,211,699)	--
Total Public Support and Revenues	29,867,002	7,494,989	37,361,991	25,627,583	13,071,167	38,698,750
Expenses						
Program						
Educational	10,215,982	--	10,215,982	8,005,585	--	8,005,585
Cultural	10,402,367	--	10,402,367	11,499,777	--	11,499,777
Humanitarian	937,901	--	937,901	1,383,839	--	1,383,839
Socio-economic	2,286,141	--	2,286,141	2,465,932	--	2,465,932
Total Program Expenses	23,842,391	--	23,842,391	23,355,133	--	23,355,133
Management and general	3,539,661	--	3,539,661	2,598,355	--	2,598,355
Fundraising	1,237,985	--	1,237,985	1,447,613	--	1,447,613
Total Expenses	28,620,037	--	28,620,037	27,401,101	--	27,401,101
Change in Net Assets Before Other Changes	1,246,965	7,494,989	8,741,954	(1,773,518)	13,071,167	11,297,649
Other Changes						
Rental and royalty income	109,942	--	109,942	61,588	--	61,588
Change in fair value of beneficial interest in split interest agreements and perpetual trusts	922,187	810,365	1,732,552	1,236,773	206,424	1,443,197
Investment return, net, less appropriated for spending	3,268,761	4,656,985	7,925,746	5,117,752	8,434,806	13,552,558
Total Other Changes	4,300,890	5,467,350	9,768,240	6,416,113	8,641,230	15,057,343
Changes in Net Assets	5,547,855	12,962,339	18,510,194	4,642,595	21,712,397	26,354,992
Net Assets (Deficit), Beginning of Year	815,539	317,911,627	318,727,166	(3,827,056)	296,199,230	292,372,174
Net Assets, End of Year	$ 6,363,394	$ 330,873,966	$ 337,237,360	$ 815,539	$ 317,911,627	$ 318,727,166

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

ARMENIAN GENERAL BENEVOLENT UNION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Educational	Cultural	Humanitarian	Socio-Economic	Total Program	Management and General	Fundraising	Total
Grants	$ 8,034,252	$ 3,060,708	$ 691,148	$ 2,275,889	$ 14,061,997	$ --	$ --	$ 14,061,997
Supplies and events	--	16,932	--	--	16,932	946	17	17,895
Salaries and wages	870,088	2,252,988	--	--	3,123,076	988,351	640,867	4,752,294
Employee benefits	78,258	344,716	--	--	422,974	131,354	85,172	639,500
Retirement plan contribution	83,949	56,121	--	--	140,070	45,646	29,599	215,315
Payroll taxes	70,521	193,852	--	--	264,373	84,054	54,501	402,928
Accounting fees	--	--	--	--	--	275,241	--	275,241
Legal fees	85	7,804	--	--	7,889	23,248	--	31,137
Consulting fees and professional services	143,376	1,128,704	31,453	2,500	1,306,033	290,480	6,777	1,603,290
Occupancy	79,958	578,484	--	--	658,442	84,911	103,092	846,445
Insurance	4,859	272,532	--	--	277,391	120,377	--	397,768
Travel	92,511	91,570	--	500	184,581	70,865	7,816	263,262
Conferences, conventions, and meetings	195,349	454,955	--	2,702	653,006	794,634	176,593	1,624,233
Depreciation and amortization	348,017	941,440	200,957	--	1,490,414	161,823	15,408	1,667,645
Training and professional development	5,000	--	--	--	5,000	--	--	5,000
Office expense	45,927	728,215	163	430	774,735	103,585	56,221	934,541
Miscellaneous expense	201	6,186	--	--	6,387	129	--	6,516
Advertising	8,659	12,909	330	2,045	23,943	115,546	4,115	143,604
Bad debt	--	--	--	--	--	3,320	--	3,320
Dues and subscriptions	10,340	21,853	--	--	32,193	25,282	19,221	76,696
Repairs and maintenance	48,858	129,571	--	2,075	180,504	22,973	--	203,477
Information technology	95,774	60,831	--	--	156,605	73,307	38,586	268,498
Severance and life estate expense	--	41,996	13,850	--	55,846	123,589	--	179,435
	$ 10,215,982	$ 10,402,367	$ 937,901	$ 2,286,141	$ 23,842,391	$ 3,539,661	$ 1,237,985	$ 28,620,037

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

ARMENIAN GENERAL BENEVOLENT UNION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Educational	Cultural	Humanitarian	Socio-Economic	Total Program	Management and General	Fundraising	Total
Grants	$ 5,978,384	$ 4,159,411	$ 1,118,430	$ 2,405,588	$ 13,661,813	$ --	$ --	$ 13,661,813
Supplies and events	36	17,645	--	--	17,681	--	--	17,681
Salaries and wages	804,779	2,076,497	--	--	2,881,276	901,769	746,805	4,529,850
Employee benefits	88,368	366,591	--	--	454,959	138,328	114,556	707,843
Retirement plan contribution	75,713	56,968	--	--	132,681	46,606	38,597	217,884
Payroll taxes	72,400	173,598	--	--	245,998	72,500	60,042	378,540
Accounting fees	--	--	--	--	--	166,567	--	166,567
Legal fees	9,515	--	--	--	9,515	33,588	--	43,103
Consulting fees and professional services	108,714	1,342,107	27,059	6,950	1,484,830	268,689	24,284	1,777,803
Occupancy	71,688	472,861	--	--	544,549	94,403	51,880	690,832
Insurance	7,991	268,972	--	--	276,963	123,023	--	399,986
Travel	87,446	84,028	--	287	171,761	88,475	650	260,886
Conferences, conventions, and meetings	140,225	542,097	--	39,682	722,004	121,138	289,670	1,132,812
Depreciation and amortization	343,881	919,841	199,780	--	1,463,502	144,601	24,373	1,632,476
Training and professional development	2,433	--	--	--	2,433	1,858	--	4,291
Office expense	48,255	665,273	10,664	13,425	737,617	80,514	38,624	856,755
Miscellaneous expense	912	14,364	--	--	15,276	1,355	--	16,631
Advertising	3,874	11,533	13,856	--	29,263	131,343	8,288	168,894
Bad debt	7,300	--	--	--	7,300	4,135	--	11,435
Dues and subscriptions	10,120	47,747	--	--	57,867	21,643	1,823	81,333
Repairs and maintenance	46,401	186,608	--	--	233,009	19,068	1,469	253,546
Information technology	88,150	51,640	--	--	139,790	87,631	46,552	273,973
Severance and life estate expense	9,000	41,996	14,050	--	65,046	51,121	--	116,167
	$ 8,005,585	$ 11,499,777	$ 1,383,839	$ 2,465,932	$ 23,355,133	$ 2,598,355	$ 1,447,613	$ 27,401,101

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

ARMENIAN GENERAL BENEVOLENT UNION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	$ 18,510,194	$ 26,354,992
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,667,645	1,632,476
Contributions restricted for endowments	(4,664,490)	(4,803,097)
Donated property	(2,359,385)	--
Donated stock	(251,090)	(351,715)
Proceeds from sales of donated stock	251,090	351,715
Net realized gain on sale of investments	(1,827,209)	(3,636,431)
Net unrealized gain on investments	(11,022,555)	(14,708,331)
Change in fair value of beneficial interest in split interest agreements and perpetual trusts	1,732,552	1,443,197
Bad debt	3,320	11,435
Changes in assets and liabilities		
Prepaid expenses	(12,616)	(24,856)
Beneficial interest in split interest agreements and perpetual trusts	(1,739,964)	(5,322,819)
Contributions receivable	202,396	5,535,262
Other receivables	(710,354)	5,429,895
Due from related parties	(793,555)	(47,026)
Accounts payable and other liabilities	53,062	116,888
Due to related parties	(250,395)	(872,616)
Net Cash Provided by (Used in) Operating Activities	(1,211,354)	11,108,969
Cash Flows From Investing Activities		
Purchase of property	(408,357)	(186,888)
Purchase of furniture and equipment	(33,430)	(132,462)
Proceeds from sale of investments	249,801,315	224,103,133
Purchase of investments	(254,668,381)	(236,672,228)
Redemption (purchase) of certificates of deposit	(1,486,592)	25
Net Cash Used in Investing Activities	(6,795,445)	(12,888,420)
Cash Flows From Financing Activity		
Proceeds from contributions restricted for endowments	4,664,490	4,803,097
Net Increase (Decrease) in Cash	(3,342,309)	3,023,646
Cash, Beginning of Year	8,108,777	5,085,131
Cash, End of Year	$ 4,766,468	$ 8,108,777

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

NOTE 1 - ORGANIZATION

The Armenian General Benevolent Union (the "Organization" or "AGBU") is incorporated under the laws of the State of Delaware. The Organization's stated purpose is to promote the prosperity and well-being of all Armenians through educational, cultural, humanitarian, and social development programs and projects and economic initiatives. AGBU is a not-for-profit organization exempt from federal income tax under Internal Revenue Code ("IRC") Section 501(c)(3), and is classified as a publicly supported charitable organization as described in IRC Section 509(a).

The financial statements include the accounts of the Central Board and all of the unincorporated chapters located throughout the United States of America.

AGBU has an economic interest and control over the Union Générale Arménienne de Bienfaisance ("UGAB") Association, an entity located in Lausanne, Switzerland. Management has elected not to consolidate the UGAB Association in these financial statements as required under the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958, *Not-for-Profit Entities,* as management has determined that its total assets, liabilities, net assets, revenues and expenses are not material to AGBU's financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The financial statement presentation is in accordance with the FASB ASC 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF 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. Accordingly, actual results could differ from those estimates.

CASH

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

CERTIFICATES OF DEPOSIT

The certificates of deposit have varying terms and earn interest at varying rates. Upon maturity, the proceeds are usually re-invested for terms ranging from three to twelve months.

FAIR VALUE OF INVESTMENTS

U.S. GAAP establishes 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 the 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). Under U.S. GAAP, the three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that reflect management's own assumptions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

The Organization has certain alternative investments for which there is not a readily determinable fair value. These investment entities issue financial statements that are consistent with the measurement principles or attributes of an investment company. For such investments, as a practical expedient, the Organization uses its ownership interest in the entity's net asset value ("NAV") to determine the fair value.

INVESTMENTS

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the fair value hierarchy:

Equity Securities

Shares of equity securities are stated at fair value based on quoted prices on recognized securities exchanges and are valued at the last reported sales price on the last business day of the Organization's year-end. Investments in equity securities are classified as Level 1 investments.

Money Market Funds

Shares of money market funds are valued at the quoted market price, which represents the NAV per share held by the Organization at year-end. Investments in money market funds are classified as Level 1 investments.

Government Securities

United States treasury securities are valued based upon quoted market prices as of the last reported sales price on the last business day of the Organization's year-end. Investments in United States treasury securities are classified as Level 2 investments.

Mutual Funds

Shares of mutual funds are valued at quoted market prices, which represent the NAV per share held by the Organization at year end. Investments in these funds are generally classified as Level 1 investments or Level 2 if there is a withdrawal restriction.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS (CONTINUED)

Fixed Income Securities

Investments in fixed income securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Investments in fixed income securities are classified as Level 2 investments.

Hedge Funds

Investments in hedge funds are determined using the ownership interest in the entity NAV to determine the fair value. Realized and unrealized gains and losses on investments are determined by comparison of fair value at date of donation or specific cost at date of purchase to proceeds at the time of disposal or fair value at year-end, respectively, and are reported in the statements of activities. Transactions are recorded on a trade date basis. Dividends and interest are recognized when earned.

ENDOWMENT FUNDS

In accordance with the provisions of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), donor-restricted endowment funds, and earnings on those funds are appropriated for expenditure by the board in a manner consistent with the standard of prudence prescribed by NYPMIFA, and in accordance with the disclosure provisions set forth by FASB ASC 958-205, *Not-for-Profit Entities.*

AGBU's endowment consists of 1) net assets with donor restrictions, which includes the original value of the gifts donated to the donor-restricted endowment and the original value of subsequent gifts to the donor-restricted endowment, and 2) funds designated by the board of directors to function as endowments and to be used for purposes consistent with the Organization's mission. The board-designated endowment is included in net assets without donor restrictions on the statements of financial position. Investment income earned by the donor-restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor stipulated purpose within the standard of prudence prescribed by NYPMIFA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENDOWMENT INVESTMENT AND SPENDING POLICIES

The Organization has adopted investment and spending polices, approved by the board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies work together to achieve this objective. The Organization's interpretation of NYPMIFA is that it has the ability to spend from underwater endowment funds, if any, in a manner consistent with the standards of prudence prescribed by NYPMIFA.

The investment policy of the Organization is to provide for the current and long term needs of the Organization by balancing the goal of capital preservation with the goal of increasing the portfolio value. The Organization seeks to achieve its investment aims by investing its surplus cash in equity and fixed income investments. The majority of the Organization's portfolio is managed by professional investment managers. The Organization, through its Investment Committee, manages some of its portfolio assets internally primarily for generating short term cash and as a means of further controlling the risk on the total portfolio.

The exposure of the Organization's portfolio to equity investments is undertaken through a diverse group of managers in a multitude of investment categories, such as large cap value, large cap growth and others. The fixed income investments are primarily in domestic government and corporate bond issues. The Organization relies on both capital appreciation and current yield (interest and dividends) to gauge the performance of its portfolio and to undertake its budget, grants and assistance.

The Investment Committee reviews, on a regular basis, the performance of the professional investment managers and the portfolio.

To assist it in this task, the Organization has retained a third-party consulting company that prepares monthly reviews and analyses of the portfolio and its managers, both external and internal. The consulting firm also advises the Investment Committee in selecting managers and allocating assets among different investment categories.

The spending policy of the Organization calculates the amount of money needed to support the Organization's activities of its endowed funds, grant-making and administration. Investment income is the primary source for endowment funded programs.

The annual performance of investment income determines the level of distribution to those endowment supported programs, and, if need be, previously established income reserves may be utilized. The support of administration and other programs is provided according to budgeted forecasts and on a special needs basis and are paid via investment income and donations received.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS

The Organization has irrevocable remainder beneficiary interests in various trusts, whose maturities are based on the life expectancies of the income beneficiaries or the occurrence of certain events, as outlined in the trust agreements. The Organization recognizes a beneficial interest upon receiving notification of a trust's existence and only when the agreement is irrevocable and rights to future distributions are unconditional. The Organization is not the trustee; therefore, the beneficial interest in the trusts is recorded at the present value of the net assets expected to be received in the future. As of December 31, 2024 and 2023, management has determined that the present value discount is not material to the Organization's financial statements.

BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Organization is the beneficiary of irrevocable perpetual trusts held by third parties. It recognizes a beneficial interest upon receiving notification of a trust's existence and only when the agreement is irrevocable and rights to future distributions are unconditional. The fair value of the assets contributed to perpetual trusts are used to measure the Organization's beneficial interest.

CONTRIBUTIONS RECEIVABLE

Contributions are recognized when a donor makes a pledge that is in substance an unconditional promise to give to the Organization. Unconditional contributions dated prior to the year-end and received in subsequent periods are recorded as contributions receivable at year-end. All contributions receivable as of December 31, 2024 and 2023, are due within one year and are reported at their net realizable value.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance is established for accounts deemed potentially uncollectible. The allowance is based upon management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. The Organization did not provide for any doubtful accounts for the years ended December 31, 2024 and 2023, as management has determined that substantially all accounts are deemed to be collectible.

OTHER RECEIVABLES

Other receivables include tuition, rent, interest, and investment redemption receivables, which are stated at their net realizable value. Other receivables as of December 31, 2024, 2023 and 2022, was $1,611,293, $904,259 and $6,345,589, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER RECEIVABLES (CONTINUED)

The Organization assesses collectability by reviewing other receivables on a collective basis where similar characteristics exist and on an individual basis when the Organization identifies specific customers with known disputes or collectability issues. The Organization provides for allowances against receivables for estimated losses, if any, that may result from a customer's inability to pay. Estimates are based on the Organization's historical losses, the existing economic conditions in the industry, and the financial stability of its customers. As of December 31, 2024 and 2023, the Organization did not provide for any allowance for credit losses as management has determined that substantially all accounts are deemed to be collectible.

PROPERTY AND EQUIPMENT

Property and equipment purchased by the Organization are recorded at cost. Donated property used by the Organization is recorded at fair value on the date contributed. Depreciation is provided by the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Leasehold improvements are amortized over the estimated useful life or term of the lease, whichever is shorter. It is the Organization's policy to capitalize all property and equipment acquisitions in excess of $10,000.

LONG-LIVED ASSETS

The Organization reviews the carrying values of its long-lived assets whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the years ended December 31, 2024 and 2023.

REVENUE RECOGNITION

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restriction. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Contributions (continued)

Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions, unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Unconditional gifts expected to be collected within one year are reported at their net realizable value and classified as without donor restrictions. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release the promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising activities; however, no amounts have been reflected in the financial statements for donated services in as much as no objective basis is available to measure the value of such services.

Tuition and Other School Income

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services (i.e., transaction price). Revenue from tuition and other school income is recognized as services are provided and payments received in advance are considered a contract liability. As of December 31, 2024, 2023 and 2022, such contract liabilities amounted to $188,358, $200,350 and $185,643, respectively. The balances as of December 31, 2024 and 2023 are included in accounts payable and other liabilities on the statements of financial position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis. Some costs are directly charged to each service area as they are clearly identified as program services or supporting services. Indirect costs are allocated to the different programs and supporting services benefited on a reasonable basis that is consistently applied.

The Central Board (see Note 1) provides administrative support, coordinating and supervising program activities ("Activities"), for the Organization or AGBU worldwide entities which are located in 34 countries. Central Board staff salaries, related employee benefits and payroll taxes are allocated to Activities based upon individual employee functions. Other indirect allocable expenses are allocated on a pro rata basis based upon the number of full-time equivalent employees for each activity to total full-time equivalent employees.

CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash balances, money market accounts and other securities. Financial instruments in financial institutions are insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation and are subject to certain limitations.

The Organization invests in various investment securities including alternative investments. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could reduce market values to below cost. The Organization, at times, may have underlying investments in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities.

The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies, and defaults, and may be adversely affected by shifts in the markets' perception of the issuers and changes in interest rates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UNCERTAIN TAX POSITIONS

The Organization recognizes and measures its unrecognized tax positions and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change.

Interest and penalties associated with unrecognized tax positions, if any, would be classified as interest expense and additional income taxes, respectively, in the statements of activities. The Organization did not identify any uncertain tax positions for the years ended December 31, 2024 and 2023. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods pending or in progress.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior-year financial statements to conform to the current-year presentation. These reclassifications have no effect on the changes in net assets as presented in the statements of activities.

SUBSEQUENT EVENTS

These financial statements were approved by management and available for issuance on November 17, 2025. Management has evaluated subsequent events through this date.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets consist of the Organization's cash, investments and certain receivables. The financial assets available for general expenditures within one year of the statements of financial position date consist of the following components:

	2024	2023
Cash	$ 4,766,468	$ 8,108,777
Certificates of deposit	2,133,690	647,098
Investments	258,348,340	240,631,510
Contributions receivable	2,159,089	2,361,485
Other receivables	1,611,293	904,259
Total Financial Assets, End of Year	$ 269,018,880	$ 252,653,129

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

	2024	2023
Less - Amounts unavailable for general expenditures within one year:		
Restricted by donors with time and purpose restrictions	$ (40,533,523)	$ (39,324,068)
Restricted by donors in perpetuity	(205,034,810)	(200,152,365)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 23,450,547	$ 13,176,696

Due to/from related parties were excluded, as those transactions are not due within a year of the financial statement position dates.

The Organization's goal is to maintain liquidity to meet operational and strategic needs. Ongoing liquidity needs of the Organization are monitored to ensure that minimum cash flow requirements are met. As part of the Organization's liquidity management, it has a policy to structure its financial assets, primarily cash, to be available as its general expenditures, liabilities, and other obligations become due.

The Organization and its worldwide chapters and districts have extensive appreciated real estate holdings with market values that far exceed their respective depreciated basis. There are a number of opportunities to convert under-used real estate into cash if additional liquidity is required.

NOTE 4 - OTHER RECEIVABLES

Other receivables consist of the following:

	2024	2023
Accounts and other receivables	$ 1,124,689	$ 582,942
Interest receivable	486,604	321,317
	$ 1,611,293	$ 904,259

NOTE 5 - INVESTMENTS

Investments at fair value or NAV as of December 31, 2024 and 2023, are summarized as follows:

Investments measured at NAV are not classified in the fair value hierarchy but are included in the fair value tables for purposes of investment reconciliation to amounts in the statements of financial position.

December 31, 2024	Level 1	Level 2	Measured at NAV	Total
Equity securities	$ 112,369,877	$ --	$ --	$ 112,369,877
Fixed income securities	--	11,506,755	--	11,506,755
Money market funds	14,867,110	--	--	14,867,110
U.S. treasury securities	--	67,527,009	--	67,527,009
Hedge funds	--	--	23,991,573	23,991,573
Mutual funds	28,086,016	--	--	28,086,016
	$ 155,323,003	$ 79,033,764	$ 23,991,573	$ 258,348,340

December 31, 2023	Level 1	Level 2	Measured at NAV	Total
Equity securities	$ 98,142,321	$ --	$ --	$ 98,142,321
Fixed income securities	--	12,923,918	--	12,923,918
Money market funds	13,223,965	--	--	13,223,965
U.S. treasury securities	--	56,423,598	--	56,423,598
Hedge funds	--	--	20,981,053	20,981,053
Mutual funds	38,936,655	--	--	38,936,655
	$ 150,302,941	$ 69,347,516	$ 20,981,053	$ 240,631,510

NOTE 5 - INVESTMENTS (CONTINUED)

The following tables provide additional information about hedge funds investments measured at NAV as of December 31, 2024 and 2023:

December 31, 2024	Measured at NAV	Redemption Frequency (if currently eligible)	Redemption Notice Period
Farallon Capital Institutional Partners LP	$ 7,196,282	Quarterly	60 days
Morgan Stanley - Alternative Investments	15,696,774	Various	Various
Various	1,098,517	Various	Various
	$ 23,991,573		

December 31, 2023	Measured at NAV	Redemption Frequency (if currently eligible)	Redemption Notice Period
Farallon Capital Institutional Partners LP	$ 6,315,452	Quarterly	60 days
Morgan Stanley - Alternative Investments	14,223,822	Various	Various
Various	441,779	Various	Various
	$ 20,981,053		

Investment return, net is summarized as follows:

	2024	2023
Net realized gain on sale of investments	$ 1,827,209	$ 3,636,431
Net unrealized gain on investments	11,022,555	14,708,331
Interest and dividends	8,193,337	7,332,618
Investment fees	(787,575)	(872,147)
	$ 20,255,526	$ 24,805,233

NOTE 6 - BENEFICIAL INTEREST IN SPLIT INTEREST AGREEMENTS AND PERPETUAL TRUSTS

The following table summarizes the changes in the beneficial interest in split interest agreements and perpetual trusts, which are classified as Level 3 in the fair value hierarchy:

	2024	2023
Balance - beginning of year	$ 33,364,517	$ 29,484,895
Contributions	76,925	2,436,425
Collections	(1,802,065)	--
Change in fair value	1,732,552	1,443,197
Balance - End of Year	$ 33,371,929	$ 33,364,517

Inputs used for valuation of the trusts with third-party trustees include financial statements provided by the trustees, the life expectancy of the income beneficiaries, and applicable discount rates determined by the Organization. The fair value of the beneficial interests is reviewed and updated annually. The beneficial interests are classified within level 3 of the fair value hierarchy.

NOTE 7 - RELATED PARTIES TRANSACTIONS

The related parties receivable balance of $5,176,057 and $4,382,502 at December 31, 2024 and 2023, respectively, reflect amounts advanced to unconsolidated related parties, net of amounts received for operating expenses. The related parties payable balance of $542,650 and $793,045 at December 31, 2024 and 2023, respectively, reflect amounts due for endowment distributions and advances to unconsolidated related parties.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2024	December 31, 2023
Real estate	$ 68,747,823	$ 67,569,338
Furniture and equipment	3,328,534	3,295,104
Construction in progress	1,589,257	--
	73,665,614	70,864,442
Less - Accumulated depreciation and amortization	39,067,149	37,399,504
	$ 34,598,465	$ 33,464,938

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions for the years ended December 31, 2024 and 2023 are as follows:

December 31, 2024	Time or Purpose Restriction	Restriction in Perpetuity	Total
Balance at beginning of year	$ 97,013,942	$ 220,897,685	$ 317,911,627
Contributions and other income	8,177,451	4,664,490	12,841,941
Changes in fair value of beneficial interest in split interest agreements and perpetual trusts	810,365	--	810,365
Investment return, net, appropriated for spending	7,881,922	--	7,881,922
Investment return, net, less appropriated for spending	4,656,985	--	4,656,985
Satisfaction of restrictions	(13,446,829)	217,955	(13,228,874)
	$ 105,093,836	$ 225,780,130	$ 330,873,966

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

December 31, 2023	Time or Purpose Restriction	Restriction in Perpetuity	Total
Balance at beginning of year	$ 80,094,642	$ 216,104,588	$ 296,199,230
Contributions and other income	12,185,499	4,803,097	16,988,596
Changes in fair value of beneficial interest in split interest agreements and perpetual trusts	206,424	--	206,424
Investment return, net, appropriated for spending	8,294,270	--	8,294,270
Investment return, net, less appropriated for spending	8,434,806	--	8,434,806
Satisfaction of restrictions	(12,201,699)	(10,000)	(12,211,699)
	$ 97,013,942	$ 220,897,685	$ 317,911,627

Net assets with donor restrictions as of December 31, 2024 and 2023 are available for the following purposes:

December 31, 2024	Time or Purpose Restriction	Restricted in Perpetuity	Total
Real estate	$ --	$ 14,002,545	$ 14,002,545
Educational	24,031,019	85,258,108	109,289,127
Cultural	7,034,995	18,800,775	25,835,770
Humanitarian	17,537,119	11,320,625	28,857,744
Socio-economic	1,099,532	6,726,385	7,825,917
General purposes	55,391,171	89,671,692	145,062,863
	$ 105,093,836	$ 225,780,130	$ 330,873,966

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

December 31, 2023	Time or Purpose Restriction	Restricted in Perpetuity	Total
Real estate	$ --	$ 14,002,545	$ 14,002,545
Educational	22,897,171	82,792,772	105,689,943
Cultural	7,770,056	17,450,364	25,220,420
Humanitarian	16,128,461	11,161,838	27,290,299
Socio-economic	1,682,162	6,501,025	8,183,187
General purposes	48,536,092	88,989,141	137,525,233
	$ 97,013,942	$ 220,897,685	$ 317,911,627

Net assets were released from donor restrictions, by incurring expenses satisfying the time or purpose restrictions specified by donors, as follows:

	2024	2023
Educational	$ 5,134,389	$ 2,123,401
Cultural	2,820,622	1,882,124
Humanitarian	662,146	2,100,321
Socio-economic	1,522,081	1,770,941
General purposes	3,089,636	4,334,912
	$ 13,228,874	$ 12,211,699

NOTE 10 - INCOME DISTRIBUTION

The Board of Directors designates a percentage of investment earnings, annually, to be allocated for endowment purposes to pooled funds. The gross income distribution for 2024 and 2023 was 4.5% for each year, of endowment principal, including donations received during the year on a pro-rata basis, and the corresponding reserve balance at December 31, 2024 and 2023. Of these earnings, 10% is added to reserves and 15% is allocated as "management fee". The net (75%) balance is allocated to net assets with expendable donor restrictions according to the purpose as designated by the donors or their trustee. The net earnings are transferred to net assets without donor restrictions and spent, or added to the unexpended balance. Earnings that are not spent in accordance with the endowment's contractual terms are considered part of the endowments' principal.

NOTE 10 - INCOME DISTRIBUTION (CONTINUED)

The income distribution is allocated as follows:

	2024	2023
Reserves - net assets without donor restrictions	$ 1,085,601	$ 1,048,241
Management fee - net assets without donor restrictions	1,628,402	1,572,360
Board designated endowments and capitalization	1,733,855	337,804
Investment Return, Net, Appropriated for Spending Without Donor Restrictions	4,447,858	2,958,405
Unexpended endowment earnings - net assets with donor restrictions	6,408,158	7,523,997
Time or purpose restriction earnings, net, appropriated for spending	1,473,764	770,273
Investment Return, Net, Appropriated for Spending With Donor Restrictions	7,881,922	8,294,270
Total Investment Return, Net, Appropriated for Spending	$ 12,329,780	$ 11,252,675

NOTE 11 - ENDOWMENT FUNDS

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024		
	Unexpended Endowment Earnings	Endowment (Restricted in Perpetuity)	Total
Endowment net assets, beginning of year	$ 28,464,833	$ 220,897,685	$249,362,518
Contributions and other income	3,357	4,664,490	4,667,847
Investment return, net, appropriated for spending	(4,447,858)	--	(4,447,858)
Investment return, net, less appropriated for spending	15,276,019	--	15,276,019
Reclassifications of purpose restrictions	(906,235)	217,955	(688,280)
Change in fair value of beneficial interest in split interest agreement and perpetual trust	(4,174)	--	(4,174)
Appropriation of endowment earnings for expenditure	(2,183,995)	--	(2,183,995)
Endowment Net Assets, End of Year	$ 36,201,947	$ 225,780,130	$261,982,077

NOTE 11 - ENDOWMENT FUNDS (CONTINUED)

	December 31, 2023		
	Unexpended Endowment Earnings	Endowment (Restricted in Perpetuity)	Total
Endowment net assets, beginning of year	$ 14,567,032	$ 216,104,588	$230,671,620
Contributions and other income	3,328	4,803,097	4,806,425
Investment return, net, appropriated for spending	(2,958,405)	--	(2,958,405)
Investment return, net, less appropriated for spending	18,747,536	--	18,747,536
Reclassifications of purpose restrictions	488,156	(10,000)	478,156
Change in fair value of beneficial interest in split interest agreement and perpetual trust	(53,478)	--	(53,478)
Appropriation of endowment earnings for expenditure	(2,329,336)	--	(2,329,336)
Endowment Net Assets, End of Year	$ 28,464,833	$ 220,897,685	$249,362,518

NOTE 12 - RETIREMENT PLAN

The Organization has a 401(k) retirement plan covering all eligible Central Board New York and Pasadena, California employees. Employer contributions to the plan are discretionary and determined by the board annually. Employer contributions to the plan totaled approximately $118,000 and $111,000 in 2024 and 2023, respectively. All employees are also eligible to participate in the salary deferral 401(k) plan.

NOTE 13 - CONCENTRATIONS

MAJOR DONORS

During the year ended December 31, 2024, the Organization received contributions from two donors totaling approximately 26% (16% and 10%) of total contributions. During the year ended December 31, 2023, the Organization received contributions from one donor totaling approximately 36% of total contributions.

NOTE 13 - CONCENTRATIONS (CONTINUED)

GEOGRAPHICAL CONCENTRATION

The Organization provides support for cultural, socio-economic, and educational relief throughout Armenia. Due to the level of risk associated with economic and political forces outside the U.S., it is reasonably possible that program activities could be disrupted in the near term, the impact of which could materially affect fundraising and grant making capacity.