

Society for Orphaned Armenian Relief (SOAR), Inc. – 2007 Annual Report

Prepared by Society for Orphaned Armenian Relief (SOAR), Inc.
P.O. Box 537
Berwyn, PA 19312
(866) 904-5535 – Phone
(267) 385-5814 – Fax
info@soar-us.org – Email
www.soar-us.org

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Message from the National President

April 8, 2008

Dear SOAR Friends:

Our primary goal in 2007 was to improve on our efforts from 2006. I am elated to say that we succeeded, in three primary areas. First, we became significantly more organized with our collection, fundraising, and distribution efforts. While we benefited from a variety of collections throughout the year, we airlifted goods to Armenia twice in 2007 – once in the spring and once in late fall. This will be our permanent routine – to collect goods throughout the year and ship twice annually. By establishing firm cutoff dates, we make collection logistics much simpler. Moreover, our Partners in Armenia can expect two large shipments annually instead of several smaller ones, which is considerably easier for them.

Second, we made distributions totaling \$88,245 in 2007, a 50% increase from our 2006 total. This is particularly noteworthy because, in mid-2007, we discontinued the receipt of used clothing, which comprised a good proportion of the goods shipped in 2006. Moreover, while we made very few purchases for the orphanages in 2006, an increase of cash donations allowed us to satisfy the most pressing needs of several orphanages in 2007.

Third, we made our first step toward expansion by welcoming our first chapter, Los Angeles, in October 2007! The Los Angeles chapter has its own link on the SOAR web site with chapter-specific contact information and detailed biographical sketches for its Board of Directors. We look forward to working with them for many years to come.

In conclusion, let me offer my heartfelt thanks to everyone who has made this dream a reality – our national Board of Directors who work tirelessly throughout the year, our Partners in Armenia who put up with my barrage of emails, and, most importantly, our generous supporters. Your unwavering financial and emotional support is greatly appreciated, and we thank you for a fantastic 2007!

Sincerely,

George S. Yacoubian, Jr., J.D., Ph.D., National President

Introduction

Although Armenia continues to address the economic crisis that resulted from its independence in 1991, it remains among the poorest countries in the world. More than 30% of the population lives in poverty¹ and, as of 2006, unemployment was as high as 30%.² Since 1991, nearly 25% of the population of Armenia has emigrated to pursue better economic opportunities. A disproportionately high percentage of these emigrants have been the male heads of families, which has left thousands of mothers to be the sole caregivers for their children. Government expenditures on social services remain very low and offer little in the way of a social safety net.

Although there has been economic growth in the capital city of Yerevan, the situation remains bleak elsewhere. The disparity between the rich and the poor has taken a sharp increase since independence, with the benefits of recent economic growth going to a relatively few wealthy people. Poverty in Armenia is rooted in both external and internal factors, including widespread government corruption, poor state governance, an unresolved conflict with Azerbaijan over the Karabagh territory, economic blockades by Turkey and Azerbaijan, loss of economic links after the dissolution of the Soviet Union, and an outdated technological base and labor force.

Children in Armenia are more vulnerable to the consequences of poverty than any other age or social group. In some regions, nearly 50% of children under five are stunted because of poor nutrition. Poverty in Armenia has resulted in ever increasing numbers of orphans, institutionalized children, and children living and working on the streets. There are 11,000 otherwise healthy children committed to more than 50 public boarding schools and nearly 1,500 children living in the 14 state- and privately-funded orphanages.

The orphan population in Armenia is different than in the United States. In Armenia, there are both "natural" and "social" orphans. Natural orphans have no mother or father. Social orphans have living parents that are unable or unwilling to care for them. The state orphanages are underfunded, poorly managed, in disrepair, and understaffed. Although the children receive basic material, educational, and nutritional support, most institutions fail to care for the emotional, spiritual, and psychological well-being of the children. According to the 2007 Trafficking in Persons report,³ Armenia has Tier 2 status because street children, orphans, and institutionalized children are at very high risk of being trafficked, abused, falling into prostitution, and/or coming into conflict with the law. It is because the vulnerable orphan population is at very high risk of physical deterioration and emotional despair that we created the Society for Orphaned Armenian Relief (SOAR), Inc.

¹ See www.worldbank.org (accessed April 6, 2008).

² See www.indexmundi.com/armenia/unemployment rate.html (accessed April 6, 2008).

³ U.S. Department of State, *The 2007 Trafficking in Persons Report*, Washington, DC: U.S. Department of State, June 2007.

Creation and Management

George S. Yacoubian, Jr., and his wife Erica, SOAR founders, were married on December 31, 2004. During their engagement, they discussed the possibility of adopting a baby, regardless of whether they were able to have children of their own. Wanting to give an orphaned child in Armenia the opportunity for a new life, they decided to adopt a baby in the spring of 2005.

Throughout 2005, they went through "home study" and various levels of domestic governmental approval. In July 2005, they traveled to Armenia to visit a summer camp hosted by the Our Lady of Armenia Orphanage. While in Armenia, they saw Liliana for the first time. They submitted their dossier to the Armenian government in the fall of 2005, received their preliminary approval in December 2005, and received their final approval in March 2006. They brought Liliana home on April 23, 2006.

After observing the conditions of the orphanages in Armenia, George and Erica created SOAR, a 501(c)(3) nonprofit organization dedicated to providing humanitarian relief to orphaned children living in Armenia. SOAR's mission is to distribute much needed food, clothing, medicine, educational supplies, and other essential resources to orphanages throughout Armenia. Between October 2005 and May 2006, the necessary corporate documents were filed, the 501(c)(3) tax exempt status was approved, preliminary research was conducted, an experienced and talented national Board of Directors was assembled, a trustworthy network of Partners in Armenia was established to assist with distributions, and the Web site (www.soar-us.org) was launched.

SOAR has no paid employees, and the National Board of Directors and Partners in Armenia volunteer their time. Below are the names of these persons who are, unquestionably, the lifeblood of this organization.

National Board of Directors:

George S. Yacoubian, Jr., J.D., Ph.D. (President): George S. Yacoubian, Jr. has a Master's Degree in Criminology and Criminal Justice, a Ph.D. in Criminal Justice Management, and a J.D. from the Rutgers University School of Law. He is currently pursuing an LL.M. in Transnational Law from the Temple University School of Law. He is an Assistant District Attorney with the Philadelphia Office of the District Attorney and Core Faculty with the Criminal Justice Institute of Nova Southeastern University. He and Erica live in Philadelphia, PA, and adopted Liliana from Armenia in April 2006. They conceived of the idea of SOAR during a visit to Armenia in the summer of 2005.

Hagop Keshishian, P.E. (Vice-President): Hagop Keshishian, PE has a Bachelor of Science Degree from Drexel University in Philadelphia, PA. He holds a Professional Engineer License in the States of Pennsylvania and New Jersey and is a New Jersey Certified Municipal Engineer. Currently Hagop performs engineering and project management services for a construction company and a development company in Philadelphia. Hagop is a member of the American Society of Civil Engineers and the National Society of Professional Engineers. Hagop presently resides in Abington, PA.

George S. Yacoubian (Treasurer): George S. Yacoubian is a 1959 graduate of the Philadelphia College of Pharmacy and Science. For many years he owned and operated a retail pharmacy, retiring in 1999. For more than 40 years he has been an active member of a panoply of service organizations, including the Armenian Assembly, the Armenian General Benevolent Union, the Armenian Students' Association, and the Knights of Vartan. He is also a past president of the Haverford Club of Rotary International. He and his wife Margaret live in Broomall, PA.

Susan Harootunian (Secretary): Susan Harootunian earned a Bachelor of Arts degree in both Elementary and Special Education at Holy Family University and is certified to teach in Pennsylvania. She has taught children of all ages and abilities and most recently worked as an Early Intervention teacher with Easter Seals. In August of 2005, Susan traveled to Armenia to adopt and bring home her baby daughter, Anna. She hopes that her efforts with SOAR will help improve the quality of life for the many children left behind. Currently, Susan devotes her time to being a full time mom. She and her husband Paul live in West Chester, PA with their two children, Paul and Anna.

Tanya M. Bardakjian, M.S.: Tanya M. Bardakjian has a Master of Science degree in genetic counseling. She is Board Certified by the American Board of Genetic Counselors. She practices at Albert Einstein Medical Center in Philadelphia, PA and is the coordinator of the anophthalmia genetic research program. She has authored many scientific publications in the field of Genetics. She is a clinical supervisor for genetic counseling students from Arcadia University and lectures to medical students and medical residents regularly. She, her husband and three daughters live in Media, PA.

Jack E. Kazanjian, M.D.: Jack E. Kazanjian, D.O., earned a Bachelor of Science degree in biology from Bucknell University and his medical degree, in 1998, from the Philadelphia College of Osteopathic Medicine (PCOM) in Philadelphia, PA. He completed his residency in orthopedic surgery at PCOM's affiliated hospitals and a fellowship in sports medicine and adult reconstruction at The Hughston Clinic in Columbus, GA. Dr. Kazanjian is board certified in orthopedic surgery and currently resides and practices in Delaware County, PA. A former college athlete, he is a member of several professional societies and oversees all SOAR activities related to medicine and the delivery of medical services.

Arousiag Keshishian, Esq.: Arousiag Keshishian, Esq. earned Political Science and Juris Doctor degrees from Temple University in Philadelphia, PA. Currently, Arousiag devotes her energies to her solo practice, where she concentrates on Immigration and Nationality Law. Arousiag has chosen the immigration practice because of her multi-language background. She finds this area of the law rewarding because of the diversified international population she interacts with on a daily basis. In her practice she handles all family, corporate/business and general immigration matters. Among other organizations, Arousiag is a member of the Armenian Bar Association and the American Immigration Lawyers Association. She is admitted to practice in both Pennsylvania and New Jersey. Arousiag is excited about using her background to assist SOAR in meeting their goals while serving in the best interest of the orphaned children in Armenia.

Asadur Minasian: Asadur Minasian earned a Bachelors Degree in Criminal Justice and Sociology with a Minor in Pre-Law from Widener University. After graduating from Widener, he was offered a position at MBNA America as a Fraud Investigator. Asadur was responsible for investigating fraudulent activities on customer accounts. After 4 years with MBNA, Asadur wanted to do what he truly loved – work with Art and Custom Framing. He established Masterpieces Fine Art & Custom Framing, Inc. in 2002 and is currently the President of the company. Asadur recognizes that many Armenians, young and old, are great artists and displays art directly from Armenia. He is currently a member of the Professional Picture Framers Association and resides in Newtown Square with his wife Arpy and 3 children – Vahe, Sareen, and Nare.

Erica Yacoubian: Erica Yacoubian has a Masters Degree in Physical Therapy from the University of Scranton and is licensed to practice in Pennsylvania. She currently works for a leading pharmaceutical company as a District Sales Manager. She and her husband George live in Philadelphia, PA, and adopted a baby girl from Armenia in the spring of 2006. They conceived of the idea for SOAR during a visit to Armenia in the summer of 2005 when they observed the conditions of the various orphanages. She believes that the efforts around SOAR can go a long way toward helping these underprivileged children in Armenia.

Los Angeles Chapter Board of Directors:

Peter Abajian (President): Peter Abajian received his Bachelor of Science degree in Political Science from the University of Michigan, Ann Harbor and took graduate courses in Business and marketing at George Washington University in Washington, DC. He worked from 1988-1991 at the Armenian Assembly's headquarters in Washington, DC serving as Director of the Assembly's Summer Intern Program. His first exposure to the Armenian Assembly came in 1986 when he served as an Intern in Washington with Senator Carl Levin (D-M) through the Assembly's Program. From 1991-1995, Mr. Abajian worked with the San Fernando Valley Association for the Retarded-New Horizons, as the Marketing Director. Mr. Abajian was responsible for raising funds to support the programs including residential group homes, sheltered work shop, work training and activity center program. In late 2002 Mr. Abajian was promoted to Deputy Executive director responsible for oversight of the Western Office and National development. Serving in this capacity until 2006, Mr. Abajian spearheaded efforts to raise new financial support, organized several successful national events, and served as one of the organization's chief spokespeople.

Mr. Abajian served as the Director of the Armenian Assembly of America's Western Office located in Beverly Hills, California. In this capacity, he worked with both the Armenian community and the Congress to promote a stronger US/Armenia relationship, while simultaneously working to expand the Armenian Assembly's membership and financial support in the West. Currently, Mr. Abajian serves as the Executive Director of Paros Foundation, which raises awareness of Armenian rich culture and promotes it world wide. He lives in Southern California with his wife Houry and two identical twin daughters.

Annet Arakelian, Pharm.D., (Vice-President): Dr. Annet Arakelian is currently the Clinical Operations Manager at Kaiser Permanente Panorama City Medical Center Area. Dr Arakelian received her Doctor of Pharmacy degree from the University of Southern California in 1991. She has been active and held offices in various Armenian organizations, such as ARS, AYF and Homenetmen, as well as professional organizations, such as California Society of Health-Systems Pharmacists (CSHP). She has published numerous articles in the field of pharmacy. In addition, Dr. Arakelian is currently the chair-elect of the CSHP Government Affairs Advisory Council. SOAR offers an opportunity to expand her humanitarian efforts in Armenia. She lives in Glendale, California.

Kevin Avetikyan (Treasurer): Kevin Avetikyan is a financial professional who owned a successful tax and financial business for five years before joining a major insurance and financial company. Kevin was born in Yerevan, Armenia and moved to the U.S. when he was 10 years old. For more than 10 years he has been very active in the Armenian community. Kevin strongly believes that the efforts of the SOAR have the far reaching prospect of bettering the lives of the Armenian children in the orphanages and beyond. He is devoted to dedicating his time and expertise to this end.

Kohar M. Pelter (Secretary): Kohar earned her Bachelor of Science in Nursing from the American University of Beirut and Masters in Nursing from University California, Los Angeles. She has held educator and administrator positions at AUMC, UCLA and Kaiser Permanente hospitals. She has also served as a consultant for UCLA, Huntington Memorial Hospital, AMGEN and other institutions for improvement of organizational effectiveness and outcomes management. She is actively involved with local and international Armenian organizations in children and family sponsorship, volunteering and charity work. SOAR mirrors her passion and dedication to help Armenian orphans and orphanages. She hopes to bring her years of clinical and administrative experiences to make a difference in the lives of Armenian orphans and supporting this great humanitarian effort. She lives in Southern California with her husband Mitch and daughter Megan.

Houry Abajian: Houry Abajian is a graduate of USC school of Pharmacy and is currently employed at Kaiser Permanente Hospital in Woodland Hills as Clinical Pharmacist. Houry has been active in various Armenian organizations including St. James Armenian Church in Los Angeles where she has been on the board of St. James Armenian Church School for the past 4 years. She also has been on the Board of Etchmiadzin Children's Fund (ECF) since 2004 and is one of the founding members of the organization which is a Western Diocese organization that supports orphans in Armenia. Houry and her family lived in Armenia for one year in 2006-2007 where she worked closely with Etchmiadzin Children's Fund Armenia Office in Yerevan. Houry currently resides in Los Angeles with her husband and children.

Manushak Amzoyan, M.D.: Manushak Amzoyan, MD earned her Bachelors degree from Occidental College in Los Angeles (Magna Cum Laude) and her doctorate from the USC Keck School of Medicine in 1998. She then trained in General Surgery at LAC+USC medical center and in Plastic Surgery at Saint Louis University. She completed her training with Hand and Microsurgery Fellowship at USC. Manushak has been involved in the Armenian outreach by establishing the first ever HIV and AIDS counseling and prevention program in Armenia in 1998 through Peer Education Project of Los Angeles. Manushak is excited about the SOAR's vision and philosophy and believes that a lot can be achieved in improving the lives of Armenian orphans through dedication and persistence.

Anna Bedikian: Anna Bedikian earned her BA in Business Management then MS in Healthcare Management from University of Phoenix. She currently works for a leading Healthcare Insurance company. In the past Anna indirectly was involved in numerous fundraising events throughout Los Angeles region to support various orphanages and individual families in need. She hopes that her past experience as a day care provider/director will assist SOAR to provide support not only for younger members of the orphanages but also assist young adults to plan for their future.

Nora Boghossian: Nora Boghossian is the litigation paralegal with Rutter Hobbs & Davidoff Incorporated. Ms. Boghossian earned her Bachelor of Arts degree in Political Science from California State University of Northridge in 1999. She earned her Paralegal Certificate from

the University of La Verne in 1993 and attends continuing education programs. She has served as a board member in the Los Angeles Paralegal Association (LAPA). She is a member of LAPA as well as the Armenian Bar Association. She has also volunteered for the Armenia Tree Project. She resides in Beverly Hills, CA.

Ani N. Shabazian, Ph.D.: Ani Shabazian earned her B.A. from UCLA where she majored in Psychology and History and minored in Applied Developmental Psychology and Armenian Studies. She went on to pursue a Master's degree in Human Developmental Psychology from Harvard University. Ani then returned to UCLA to complete an MA/Ph.D. program in Urban Schooling from UCLA's Department of Education. Currently Ani has a dual academic appointment at UCLA, serving as the Executive Director of the Infant Development Program and teaching child development courses in the Department of Psychology at UCLA. She is the recipient of the UCLA Distinguished Faculty Teaching Award. Recently, Ani had the privilege of being trained at the world renowned Pikler Institute, a Hungarian orphanage noted for its innovative and successful approach to rearing children raised in group homes. She feels truly privileged to be working with an organization such as SOAR that upholds the principles she holds dear about early childhood development.

Lena S. Soghomonian, BPharm, Pharm.D.: Lena Simitian Soghomonian earned a Bachelor of Pharmacy from St. John's University in New York in 1986. She further pursued her education and received a Doctorate of Pharmacy from the University of Southern California in 1989. She is a Certified Diabetes educator and is also a certified psychopharmacist. She currently works at Kaiser Permanente as a pharmacist care manager focusing in helping patients manage chronic disease states especially Diabetes and Dyslipidemia. She currently resides in Los Angeles with her husband Harout and their son Alec.

Partners in Armenia:

Davit Avanesyan: Davit Avanesyan attended Khachik Dashtents School between 1993 and 2003. He is currently an undergraduate student in the Department of Management at the State Institute of Economy. Davit is fluent in Armenian and English.

Vartuhi Baloyan, M.A.: Vartuhi Baloyan has a Master's Degree in English, graduating from the Gyumri State Pedagogic Institute (Department of Foreign Languages) in Gyumri, Armenia, in June 2005. She currently holds the position of administrative assistant with the Our Lady of Armenia Center. A privately-funded orphanage in Gyumri, the Our Lady of Armenia Center is operated by the Armenian Sisters of the Immaculate Conception, a religious order of nuns established in 1847 in Constantinople. Vartuhi is fluent in Armenian, Russian, and English.

Siranush Hovhannisyan: Siranush Hovhannisyan is an Armenian citizen, living in Yerevan. She has a degree in English and is a self employed interpreter, tour guide, and facilitator. She has been engaged as an interpreter and local consultant on many public administration reform projects in Armenia funded by the Government of the United Kingdom. The projects included the reorganization of the President's Office, the National Assembly, the Prime Minister's Office, and the Civil Service. She has a particular interest in the children in the orphanages of Armenia.

Moses. V. Sahakian, M.B.A./M.I.M.: Moses V. Sahakian was born and raised in Beirut, Lebanon. He earned a Bachelor of Science degree in international business from Woodbury University in 1978 and a Master's Degree in International Management (M.I.M) in 1979 from the American Graduate School of International Business. In 1980, he earned an M.B.A. from the Breech School of Business at Drury College in 1980. Moses has served as an Account Executive for Royal Business Machines and as the Vice-President of Marketing of Peclar Corporation. Since 2002, he has served as the Chief Operating Office of Bedian International, currently living in Stepanakert. He is responsible for running the operations in Armenia and Karabagh.

Sr. Arousiag Sajonian: Sr. Arousiag Sajonian has been the Superior of the Our Lady of Armenia Center in Gyumri, Armenia, since September 1990. The Our Lady of Armenia Center was established by the Armenian Sisters of the Immaculate Conception, a religious order of nuns established in 1847 to educate Armenian youth. She was the principal of the Armenian Sisters Academy in Radnor, PA, between September 1967 and June 1986. Sr. Arousiag earned a Bachelor's Degree from Cabrini College in Radnor, PA, in 1967 and a Master's Degree in Education from Villanova University in Villanova, PA, in 1973. She is proficient in several languages, including Armenian, English, French, and Italian.

Orphanage Summaries

There are 14 orphanages in Armenia. Between February and April 2006, George, Erica, and several of SOAR's Partners in Armenia met with the orphanage directors to inform them of SOAR's creation and to identify their most pressing needs. Since then, our Partners in Armenia have kept in regular contact with the orphanage directors to maintain a current list of needs. A description of each and a summary of their needs are presented below.

<u>Children's Home of Gyumri</u> (Mrs. Ruzann Avagyan, Director) is a state-funded orphanage in Gyumri, housing approximately 105 mentally and physically handicapped children six years old and younger. Its primary needs are beds and mattresses, closets, disposable diapers and other baby supplies, and over-the-counter (OTC) and prescription medications. In addition, Children's Home would like to build an addition to the facility in 2008. No funding has yet been secured.

<u>Gavar Orphanage</u> (Mr. Nikolay Nalbandyan, Director) is a state-funded orphanage in Gavar, housing approximately 115 healthy children between the ages of three and 18. Gavar's primary needs are clothes (especially shoes), hot water heaters for the bathrooms, detergent for the washing machines, hand soap/shampoo, and OTC medications.

Hadug Tibi Orphanage (Mrs. Hasmig Mgdrtchyan, Director) is a state-funded orphanage in Yerevan, housing approximately 83 healthy and handicapped children between seven months and eight years of age. Hadug Tibi's primary needs are wardrobes, classroom desks and chairs, beds, mattresses, closets, and kitchen appliances.

<u>Houys Orphanage</u> (Mr. Ruben Markosyan, Director) is a state-funded orphanage in Gyumri, housing approximately 80 healthy children between the ages of four and 18. Its primary needs are wardrobes, classroom desks and chairs, and books for the library.

<u>Kharberd Orphanage</u> (Mr. Harutyun Balasanyan, Director) is a state-funded orphanage in Kharberd, housing approximately 240 mentally and physically handicapped children between the ages of six and 18. Kharberd's primary needs are physical therapy equipment, disposable diapers and other infant supplies.

Nork Orphanage (Mrs. Liana Karapetyan, Director) is a state-funded orphanage in Yerevan, housing approximately 80 healthy children six years old and younger. Nork's primary needs are OTC and prescription medications, comforters, fitted sheets, mattress pads, changing table pads, and disposable diapers and other infant supplies.

<u>Nubarashen</u> (Mr. Merouj Yenkibarian, Director) is a state-funded, special boarding school in Yerevan, housing approximately 105 mentally and physically handicapped children between seven and 18 years of age. Nubarashen's primary needs are shoes, washing machines and dryers, classroom notebooks, beds, linens, blankets, and new kitchen appliances.

Our Lady of Armenia Center (Sr. Arousiag Sajonian, Director) is a privately-funded orphanage in Gyumri housing children between the ages of six and 18. The Our Lady of Armenia Center is operated by the Armenian Sisters of the Immaculate Conception, a religious order of nuns established in 1847. The Sisters also operate the Our Lady of Armenia Summer Camp in Tsaghgazor, a mountain retreat in northeast Armenia.

The Center's primary needs are new kitchen appliances, washers and dryers, OTC medications, renovation to a play room, and desks and chairs. In addition, they need annual assistance with their summer camp, which costs approximately \$100,000 a year.

<u>Sisters of Charity Orphanage</u> (Sr. Anna Marie Vanlalruati, Director) is a privately-funded orphanage in Spitak, housing approximately 33 mentally and physically handicapped children. There are no age limitations. The Sisters of Charity is a Catholic religious order established in 1950 by Nobel Peace Prize winner Mother Teresa to tend to "the poorest of the poor." Its primary needs are food, soap, shampoo, and OTC medications.

SOS Children's Village (Mr. Armen Ayvazyan, Director) is an international organization that provides a new home for children who have lost their parents or who for other reasons can no longer live with their parents (for example, because the parents have abandoned their children, are alcoholics, or are in prison). SOS Children's Village, located in Abovyan, houses approximately 80 healthy children between the ages of 9 months and 15 years of age. When the children turn 15, they move to one of three SOS centers in Yerevan, where they remain until age 20. Its primary needs are school supplies, shoes, and an indoor recreation hall.

<u>Trchoonian Home</u> (Mrs. Sonya Simonyan, Director) is a privately-funded orphanage in Gyumri, housing approximately 60 intellectually gifted children between the ages of three and 12. Trchoonian Home's primary needs are OTC and prescription medications, rugs for their indoor playroom, and an outdoor basketball/tennis court.

<u>Vanadzor Orphanage</u> (Mr. Arshalouys Haroutounian, Director) is a privately-funded orphanage in Vanadzor, housing approximately 110 healthy children 18 years of age and under. Vanadzor's primary needs are new shower facilities, repairs to the roof, beds, wardrobes, renovations to all doors and floors, OTC and prescription medications, and new kitchen appliances.

<u>Vardashen</u> (Mrs. Larisa Sargsyan, Director) is a state-funded, special boarding school in Yerevan, housing approximately 83 healthy children who "exhibit socially dangerous behavior" between the ages of six and 18. Vardashen's primary needs are OTC medications, tables and chairs for the cafeteria, beds, linens, and kitchen appliances.

Zadik Orphanage (Mr. Ashot Mnatsakanyan, Director) is a state-funded orphanage in Yerevan, housing approximately 138 healthy children between the ages of six and 18. After the age of 18, the children have the option of moving on to either Rainbow House or a

farming village in Arzni. Rainbow House is sustained, in part, by handcrafting greeting cards, which are sold throughout Armenia. The farming village is approximately 15 kilometers from the orphanage. Zadik's primary needs are clothes (especially shoes), OTC and prescription medications, kitchen appliances, and assistance with the transitional residences.

Mechanisms of Assistance

SOAR has a variety of mechanisms through which assistance is provided to the orphanages. In alphabetical order, they are:

Balik-Jan Project:

The Balik-Jan Project brings warmth, love, and comfort to the orphaned children in Armenia. Balik-Jan Project volunteers knit, crochet, and sew infant, toddler and children's clothes. The handmade items are then donated to Armenia's orphanages. There are no rules, membership dues, donation quotas, or obligations.

The following items can be made in all children's sizes – booties, hats/bonnets, dresses, sweaters, ponchos, socks, mittens, scarves, and blankets. Persons interested in becoming a Balik-Jan volunteer can contact Anna A. Turcotte at BalikJan@soar-us.org. All items can be shipped to the following address:

George S. Yacoubian, Jr. c/o SOAR, Inc. 487 Paxon Hollow Road Broomall, PA 19008 USA

Donation of Goods:

Throughout the year, SOAR held various drives to accept donations of goods for shipment to the orphanages of Armenia. These drives were advertised on our Web site and occurred in various venues across the United States. The following is a non-exhaustive list of items of items we shipped to Armenia in 2006: baby supplies (e.g., bumpers and changing table pads) Band-Aids; bath towels; bedding (for cribs and twin beds); blankets; books; new clothing (infants through young adult)⁴; diapers; games; hair products (combs and brushes); musical items (e.g., CDs and radios); OTC medications (e.g., Tylenol and vitamins); personal hygiene products (e.g., soap and shampoo); shoes; and, umbrellas. SOAR only accepts certain

⁴ We no longer accept donations of used clothing. All donations of clothes must be new.

products (e.g., Band-Aids, diapers, and hairbrushes) if they are in their original sealed containers. All items can be shipped to the following address:

George S. Yacoubian, Jr. c/o SOAR, Inc. 487 Paxon Hollow Road Broomall, PA 19008 USA

Financial Donations:

All cash donations made to SOAR are tax deductible. There are two methods by which donations can be made: 1) by check; and 2) through our on-line donation system (www.soarus.org/donate.html). All check donations are acknowledged by mail for tax purposes. Checks should be made out to the Society for Orphaned Armenian Relief, Inc. and mailed to:

Society for Orphaned Armenian Relief (SOAR), Inc. P.O. Box 537 Berwyn, PA 19312-0537 USA

Special Gifts Program:

In addition to our conventional method of financial donations, SOAR offers a Special Gifts Program. This Program includes bequests, charitable gift annuities, charitable lead trusts, charitable remainder trusts, donor-advised funds, endowments, in lieu of flowers, retained life estates, scholarships, and wealth replacement trusts. If you would like more information about our Special Gifts Program, please contact George S. Yacoubian, Jr., at (866) 904-5535 or by email at gyacoubian@soar-us.org.

Methods of Shipping and Distribution

Protocol:

SOAR assists the orphanages through three (3) primary mechanisms. First, we work with for-profit corporations (e.g., Hasbro) to provide donations of specific products. SOAR receives these goods in the United States and ships them to Armenia via an airlift provided by the United Armenia Fund (UAF). As a recognized 501(c)(3) non-profit organization, SOAR is permitted to use the services of UAF free of charge. The airlift departs from John F. Kennedy (JFK) International Airport in New York, NY, approximately every two (2) months. Moreover, the truck we use to take our items to JFK is provided free of charge by Mr. and Mrs. Vaughn Hoplamazian of Bargain Rental (Broomall, PA). As such, there are minimal costs associated with our shipments to Armenia.

UAF informs us of the date of arrival in Armenia approximately one week in advance. We then notify our Partners in Armenia who arrange for picking up the goods from the airport in Yerevan. Our Partners in Armenia receive the goods and make all distributions as determined by the National Board of Directors.

Second, we receive goods (e.g., new clothing) from donors across the United States and ship them to Armenia via UAF.

Third, we receive cash donations to purchase goods and services for the orphanages. Some of these products are purchased outside of Armenia and shipped to our Partners. Most of the products, however, are purchased *in* Armenia. This method of procurement serves the dual role of satisfying the orphanages' needs while simultaneously providing a much needed boost to the Armenian economy. Our Partners are responsible for either receiving the goods purchased by SOAR or for purchasing the items/services for SOAR and subsequently making the distributions.

Quality Control:

SOAR has a <u>strict quality control protocol</u> to assure that all donations reach the intended recipients. This protocol has five (5) primary steps:

- First, we rarely make cash distributions directly to the orphanages. Rather, those goods/services that can be procured in Armenia are purchased by our Partners and distributed directly to the orphanages.
- Second, we implement <u>chain of custody procedures</u> for any goods or services distributed to the orphanages. This assures us that these items have been received by the orphanages in the exact quantity intended. These chain of custody procedures have 3 sub-steps:

- Our Partners sign for the shipments received and attest to the type/quantity of goods/services purchased in Armenia. This invoice includes an <u>exact</u> description of the type and quantity of goods shipped/distributed and services provided.
- o The orphanage directors sign this invoice, indicating that the <u>exact</u> type/quantity of goods and services they have received is the quantity indicated on the invoice.
- o Both invoices are faxed or mailed to the attention of the National President as evidence of a successful distribution.
- Third, our Partners make <u>random inspections</u> of the orphanages following each distribution to assure that a reasonable quantity of goods remains. We recognize that this step may be difficult with certain types of products (e.g., diapers). With other products, however, such as mattresses, most if not all of the original quantity should remain long after the distribution. Discrepancies are reported immediately to the National President.
- Fourth, when possible, goods donated by SOAR are <u>engraved and/or stamped with a corporate seal</u>. This type of identification is particularly feasible with non-perishable items, such as appliances, beds, books, and desks and chairs.
- Fifth, we implement a <u>zero-tolerance policy</u> for fraud, theft, and/or deception. Prior to making a distribution to the orphanages, orphanage directors are reminded of our strict protocol. They are warned that random checks are part of this protocol and that, in the event a discrepancy arises, they will no longer be eligible for assistance.

2007 Accounting Summary⁵

Beginning balance	\$22,135.00	
Cash contributions and donations of goods (gross receipts)	\$92,283.00	
Distributions made (cash and goods)	\$88,245.00	
 Children's Home of Gyumri - clothes and toys/games, mattresses Gavar - clothes and toys/games, heater, mattresses Hatug Tibi - freezer Houys - shoes, toys/games, desks, holiday meal Kharberd - clothes and toys/games, two bathroom renovations Nork - clothes, toys/games Nubarashen - appliances and audio/visual equipment Our Lady of Armenia - clothes, toys/games, and cash Sisters of Charity - cash SOS Children's Center - cash Trchoonian Home - audio/visual equipment Vanadzor - freezer Vardashen - mattresses Zadik - school supplies, clothes, toys/games, mattresses 	\$8,550.00 \$4,840.00 \$800.00 \$6,500.00 \$4,260.00 \$4,500.00 \$12,425.00 \$27,870.00 \$500.00 \$1,000.00 \$800.00 \$2,000.00 \$13,700.00	
Professional fees	\$2,024.00	
Maintenance	\$1,344.00	
Printing and postage	\$6,076.00	
Closing balance	\$16,729.00	

⁵ SOAR's 2006 tax return was prepared by Mangasarian and Associates, 103 Chesley Drive, Suite 103, Media, PA, 19063, (610) 891-7710.

Conclusion

The Society for Orphaned Armenian Relief (SOAR), Inc. was established in March 2006 to provide humanitarian relief to the orphanages in Armenia. Our long-term goal is to provide the orphaned children living in Armenia with the resources fundamental to their physical, emotional, and intellectual development. Over time, we hope to provide these underprivileged youth with the tools necessary to become accomplished, educated, and self-supporting Armenian adults.

There are 14 orphanages in Armenia with varying levels of need. Our web site (www.soarus.org), launched on May 4, 2006, provides a complete description of our organization, our work to date, and the population we serve.

In 2007, we received more than \$92,000 in cash and goods and distributed nearly \$88,245 to the 14 orphanages. We received and shipped a variety of items in 2007: new clothes, toys, diapers, games, books, school and office supplies, and personal hygiene products. Moreover, purchased in Armenia mattresses for Children's Home of Gyumri, a heater and mattresses for Gavar, a freezer for Hadug Tibi, and desks for Houys. In addition, we renovated two (2) bathrooms at Kharberd and purchased appliances and audio/visual equipment for Nubarashen, audio/visual equipment for Trchoonian Home, a freezer for Vanadzor, mattresses for Vardashen, and shoes for all of the children at Zatik. We made cash donations to Our Lady of Armenia Center (\$4,200), Sisters of Charity (\$500), and SOS Children's Center (\$500).

It is important to reiterate that SOAR is a <u>completely volunteer organization</u>. We have no paid employees and occupy no formal office space, which allows us to keep our operating expenses to a minimum. As such, a high majority of the donations we receive are channeled directly to the orphanages. If you have any additional questions about SOAR, the orphanages we serve, or our 2007 accounting, please contact George S. Yacoubian, Jr., at (866) 904-5535 or by email at <u>gyacoubian@soar-us.org</u>.