



Society for Orphaned Armenian Relief (SOAR), Inc.
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MESSAGE FROM THE NATIONAL PRESIDENT

August 1, 2010

Dear SOAR Friends:

Thank you for an amazing 2009! As we look back, it is always important to review what our goals were for 2009 and assess whether those goals were met. I am happy to say that we achieved everything that we wanted to achieve, and in some areas, exceeded expectations. First, despite a weak national economy, our 2009 distributions to the orphanages of Armenia were the largest made to date. In 2006, our first year, we made distributions totaling \$59,700.00. In 2007, our distributions increased to \$88,245.00. In 2008, we crossed a major threshold and distributed \$102,300.00, and in 2009, we improved on 2008 by approximately 9%, to **\$111,508.00**.

Second, we added two (2) new Chapters – Northern California and New York/New Jersey. This brings our Chapter total to five (5), including Los Angeles, Washington, DC, and New England. The Chapters, which have their own pages on the web site and are charged with perpetuating the SOAR mission within their respective geographic regions, have provided us with a critical localized presence across the United States. We look forward to working with them for many years to come.

When we started SOAR in 2006, we could never have envisioned such growth and success. Let me offer my heartfelt thanks to everyone who has made, and continues to make, this endeavor a successful one – our National Board of Directors who work tirelessly throughout the year; our Chapters who provide us with superb efforts across the United States; our Board of Trustees, based in Philadelphia, that oversee our fiscal operations; our Partners in Armenia who put up with my barrage of queries and requests on a seemingly daily basis; and, most importantly, our generous supporters. Your unwavering financial and emotional support is greatly appreciated, and we thank you for a fantastic 2009.

Sincerely,

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

INTRODUCTION



Poverty in Armenia, still pervasive today nearly 20 years after the dissolution of the Soviet Union, 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an unresolved conflict with Azerbaijan over the Karabagh territory, economic blockades by Turkey and Azerbaijan, and an outdated technological base and labor force.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, resulting in increasing numbers of orphans, institutionalized children, and children living

on the streets. There are nearly 1,500 children living in the 15 state-and privately-funded orphanages, and government expenditures on social services are very low and offer little in the way of a social safety net.

In Armenia, there are both “natural” and “social” orphans. Natural orphans have no living mother or father. Social orphans have parents that are unable or unwilling to care for them. The state orphanages are underfunded, in disrepair, and understaffed. Although the children receive basic material and educational 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,¹ Armenia has Tier 2 status because its 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 this vulnerable orphaned population is at very high risk of physical deterioration and emotional despair that we created the Society for Orphaned Armenian Relief (SOAR), Inc.

¹ 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, began their adoption process in 2005. Throughout that spring and summer, they went through “home study” and various levels of United States (US) governmental approval. While in Armenia during the summer of July 2005 to visit a summer camp hosted by the Our Lady of Armenia Center, they saw their future daughter for the first time. They submitted their dossier to the Armenian government in the fall of 2005, received preliminary adoption approval in December 2005, and received final approval in March 2006. They brought Liliana home on April 23, 2006.

After observing the conditions of the orphanages during their 2005 trip, George and Erica created SOAR, a 501(c)(3) nonprofit organization that provides 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.

Since our inception, we have added five (5) Chapters – Los Angeles, New England, New York/New Jersey, Northern CA and Washington, DC – to give us a localized presence across the US. In 2009 we created a Board of Trustees, based in Philadelphia, that annually reviews our operations and distributions. SOAR has experienced significant growth the past several years, both in terms of tangible distributions and physical presence. Some of our volunteers are parents of adopted Armenian children; others simply recognize the significance of our contribution and want to help perpetuate our mission. The bond that exists among our national and international volunteers is the recognition that orphaned children represent the most vulnerable population of Armenian society. We all work toward the betterment of the Armenian orphan population and look forward to expanding our efforts in the years to come.



Liliana Yacoubian

ORPHANAGE DESCRIPTIONS

There are 15 orphanages in Armenia. We have regular contact with the orphanage directors and maintain an updated list of facility needs. A description of each orphanage is presented below. Please contact our National Orphanage Liaison, Tanya Bardakjian (tbardakjian@verizon.net) for an updated list of needs.

Children's Home of Gyumri

(Mrs. Ruzann Avagyan, Director) is a state-funded orphanage in Gyumri housing approximately 105 mentally and physically handicapped children six years old and younger.

Gavar

(Mr. Nikolay Nalbandyan, Director) is a state-funded orphanage in Gavar housing approximately 115 healthy children between the ages of three and 18.

Hadug Tibi

(Mrs. Hasmig Mgdrtchyan, Director) is a state-funded orphanage in Yerevan housing approximately 83 healthy and handicapped children from infancy through age 18.

Houys

(Mr. Ruben Markosyan, Director) is a state-funded orphanage in Gyumri housing approximately 80 healthy children between the ages of four and 18.

Kharberd

(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.

Nork

(Mrs. Liana Karapetyan, Director) is a state-funded orphanage in Yerevan housing approximately 80 healthy children six years old and younger.

Nubarashen

(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.

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.

Sisters of Charity – Bethlehem

(Sr. Nella, Director) is a privately-funded orphanage in Yerevan housing approximately 15 mentally and physically handicapped babies and young children, all of which were abandoned at local hospitals. 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." In addition to the vows of chastity, poverty and obedience, the nuns adhere to a fourth vow of giving "whole-hearted and free service to the poorest of the poor."

ORPHANAGE DESCRIPTIONS

Sisters of Charity – Spitak

(*Sr. Francesca, 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.” In addition to the vows of chastity, poverty and obedience, the nuns adhere to a fourth vow of giving “wholehearted and free service to the poorest of the poor.”

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. SOS, 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.

Trchoonian Home

(*Mrs. Sonya Simonyan, Director*) is a privately-funded orphanage in Gyumri housing approximately 60 intellectually gifted children between the ages of three and 12.

Vanadzor

(*Mr. Arshalouys Haroutounian, Director*) is a privately-funded orphanage in Vanadzor housing approximately 110 healthy children 18 years of age and under.

Vardashen

(*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.

Zadik

(*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 move 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.



Renovation of the Kharberd Hair Salon

MECHANISMS OF ASSISTANCE

SOAR offers several ways through which assistance to the orphanages can be extended.

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. 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 anna.turcotte@gmail.com. All items can be shipped to the following address:

George S. Yacoubian, Jr.
c/o Public Storage, #B037
245 West Chester Pike
Havertown, PA 19083

Donation of Goods

SOAR accepts donations of goods for shipment to the orphanages of Armenia. The following is a non-exhaustive list of items that are always needed by the orphanages: baby supplies (e.g., bumpers and changing table pads); Band-Aids; bath towels; bedding (for cribs and twin beds); blankets; new clothing (infants through young adult); diapers; 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 products (e.g., Band-Aids, diapers, and hairbrushes) if they are in their original sealed containers. All items can be shipped to the above address. Please contact Tanya Bardakjian (tbardakjian@verizon.net) to discuss a specialized collection in your geographic area.

MECHANISMS OF ASSISTANCE

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.soar-us.org/donate.html). All donations are acknowledged in writing 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.
c/o George S. Yacoubian, Jr.
1060 First Avenue, Suite 400
King of Prussia, PA 19406

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 (610) 213-3452 or gyacoubian@soar-us.org.

Renovation of the Kharberd Dining Hall



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. We receive these goods in the US and ship them to Armenia via an airlift provided by the United Armenia Fund (UAF). As a 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 Yerevan airport. Our Partners in Armenia receive the goods and make all distributions.

Second, we receive goods from concerned individuals, families, and groups across the US and ship them to Armenia via UAF.

Third, cash donations are used to purchase goods and services for the orphanages. Some of these products and services are purchased outside of Armenia and shipped to our Partners. Most of the products and services, however, are purchased in Armenia. This method of procurement serves the dual role of satisfying the orphanages' needs while simultaneously providing a 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.



METHODS OF SHIPPING AND DISTRIBUTION

Quality Control

SOAR has a strict quality control protocol 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 chain of custody procedures 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 three (3) sub-steps:
 - Our Partners sign for the shipments received at the Yerevan airport and attest to the type/quantity of goods/services purchased in Armenia. This invoice includes an exact description of the type and quantity of goods shipped/distributed and services provided.
 - The orphanage directors sign this same invoice, indicating that the exact type/quantity of goods and services they have received is the quantity indicated on the invoice.
 - Both invoices are mailed to the attention of the National SOAR President for our permanent records.
- Third, our Partners make random inspections 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 products (e.g., diapers). With other products (e.g., mattresses), the original quantity should remain long after the distribution. Discrepancies are reported immediately to the National SOAR President.
- Fourth, when possible, goods donated or services provided by SOAR are engraved and/or stamped with a corporate seal. This type of identification is particularly feasible with non-perishable items, such as appliances, beds, books, and desks and chairs. Major projects are acknowledged with a SOAR dedication plaque.
- Fifth, we implement a zero-tolerance policy for fraud, theft, and/or deception. In the event a discrepancy arises, these orphanages will no longer be eligible for our assistance.

GRANTS RECEIVED AND MAJOR PROJECTS FUNDED³

Grants Received

- July 2009** – Knights of Vartan (\$3,000.00)
- March 2009** – Yahoo Employee Foundation! (\$5,000.00)
- February 2009** – Hasbro Community Relations Toy Donation (\$3,000.00)
- December 2008** – Linda A. Armstrong Foundation (\$5,000.00)
- July 2008** – Knights of Vartan (\$3,000.00)
- June 2008** – Hasbro Community Relations Toy Donation (\$3,000.00)
- July 2007** – Knights of Vartan (\$3,000.00)
- June 2007** – Hasbro Community Relations Toy Donation (\$2,500.00)

Major Projects Funded

- December 2009** – Children's Home of Gyumri, Installation of New Ventilation System (\$10,000.00)
- December 2009** – Our Lady of Armenia Orphanage, Kitchen Renovation (\$7,200.00)
- December 2009** – Gavar Orphanage, Bathroom Renovation (\$7,400.00)
- October 2009** – Kharberd Orphanage, Dining Hall Renovation (\$7,000.00)
- June 2009** – Our Lady of Armenia Orphanage, Summer Camp Supplies (\$9,660.00)
- February 2009** – Kharberd Orphanage, Barbershop Renovation (\$8,000.00)
- December 2008** – Houys Orphanage, Installation of New Gas Heating System (\$1,300.00)
- June 2008** – Our Lady of Armenia Orphanage, Summer Camp Supplies (\$47,495.00)
- November 2007** – Kharberd Orphanage, Bathroom Renovation (\$4,260.00)
- November 2007** – Gavar Orphanage, New Heater and Mattresses (\$3,240.00)

³ Because this section of our Annual Report is being presented for the first time, we provide a summary of grants received and major projects funded from 2006-2009, inclusive.

2009 ACCOUNTING SUMMARY³

Cash contributions and donations of goods (gross receipts)	\$147,370.78
Investment income	<u>\$88.00</u>
Total Revenue	\$147,370.78⁴
Total Orphanage Distributions	\$111,008.00
 Children's Home of Gyumri	 \$13,864.00
o New ventilation system	
o New blankets, clothes and towels	
 Gavar	 \$10,300.00
o Bathroom renovation	
o New clothes	
 Hatug Tibi	 \$1,500.00
o New towels	
o Christmas party hosting and gifts	
 Houys	 \$2,858.00
o Mirrors	
o Tuition assistance	
 Kharberd	 \$22,893.00
o Barbershop renovation	
o Dining hall renovation	
o New towels and diapers	
o Christmas party hosting and gifts	
 Nork	 \$6,700.00
o New kitchen and baby supplies	
o New toys and games	
 Nubarashen	 \$14,455.00
o New shoes and coats	
o New toys and games	
 Our Lady of Armenia Center	 \$27,965.00
o Tsaghgadzor summer camp supplies	
o Kitchen renovation	
o Cash Distribution ⁵	
 Sisters of Charity	 \$2,220.00
o New shoes and coats	
o New toys and games	

³ SOAR's 2009 tax return was prepared by Mangasarian and Associates, 103 Chesley Drive, Suite 103, Media, PA, 19063, (610) 891-7710.

⁴ This figure includes the work from our National Headquarters (Philadelphia), as well as our Chapters in Los Angeles, New England, New York/New Jersey, Northern, CA, and Washington, DC

⁵ SOAR received a \$5,000.00 grant from the Yahoo Employee Foundation that was earmarked for the Tsaghgadzor Summer Camp, hosted by the Our Lady of Armenia Orphanage.

2009 ACCOUNTING SUMMARY

SOS Children's Center	\$1,505.00
o Christmas party hosting and gifts	
o New toys and games	
Trchoonian Home	\$505.00
o Christmas party hosting and gifts	
o New toys and games	
Vanadzor	\$880.00
o New stereo system	
o New toys and games	
Vardashen	\$1,500.00
o New television	
o New toys and games	
Zadik	\$3,868.00
o Subsidy for fuel	
o New toys and games	
Other Expenses	\$15,292.00
Accounting	\$345.00
Advertising and promotion	\$5,839.00
Office expenses	\$183.00
Information Technology	\$689.00
Travel	\$190.00
Insurance	\$400.00
Banking fees	\$339.00
Equipment rental	\$2,264.00
Printing copying	\$2,798.00
Postage and mailing	\$2,245.00
Closing Balance (Cash Reserve)	\$21,070.78⁶
National (Philadelphia)	\$14,647.54
Los Angeles Chapter	\$1,428.67
Washington, DC Metro Chapter	\$1,419.84
New England Chapter	\$1,595.42
New York/New Jersey Chapter	\$979.31
Northern CA Chapter	\$1,000.00

⁶ The Closing Balance is Total Revenue - (Total Distributions + Other Expenses).

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-sustaining Armenian adults.

There are 15 orphanages in Armenia with varying levels of need. Our web site (www.soar-us.org), launched on May 4, 2006, provides a complete description of our organization, our work to date, and the population we serve.

In calendar year 2009, SOAR distributed \$111,008.00 to the 15 orphanages, receiving and shipping new clothes, toys/games, school and summer camp supplies, and personal hygiene products. Moreover, we financed a new ventilation system at CHG and purchased new towels and linens for the children at CHG; renovated Kharberd's barbershop and dining hall; renovated bathrooms at Gavar; purchased new winter shoes for the children at Gavar and SOC; purchased new shoes and coats for the children at Nubarashen; and subsidized Zadik's winter fuel costs.

With the exception of one (1) part-time employee in Armenia, SOAR is a completely volunteer organization. We occupy no formal office space, which allows us to keep our operating expenses to a minimum. As such, a high proportion of the cash donations we receive are channeled directly to the orphanages.

If you have any additional questions about SOAR, the orphanages we serve, or our 2009 accounting, please contact George S. Yacoubian, Jr., at (610) 213-3452 or by email at gyacoubian@soar-us.org.