

2008 ANNUAL REPORT

Comprehensive Rural Development Program in Armenia

In 2008, the Children of Armenia Fund (COAF) continued to address the critical needs of young Armenians in six villages within Armenia's Bragranian region of Armavir Marz, where our work began in 2004. Restoration of the essential resources required for the proper delivery of health services, education, social programs and economic development is the central focus of all COAF program initiatives.

COAF aims to secure the future for children in Armenia's impoverished rural villages through improved education, health care and community life, fostering opportunity and encouraging participation and self-sufficiency. We accomplish our mission by implementing our unique Participatory Integrated Rural Development Program, and improving the lives of vulnerable communities by providing the necessary infrastructure and essential resources for community-based sustainable development, and providing villagers with the opportunity and tools to rebuild and revitalize their communities.

COAF continued to perfect its cluster-based development model in the regions of Argina, Dalarik, Karakert, Lernangog, Miasnikian and Shenik. This model of sustainable development relies upon the participation of local beneficiaries in partnership with local businesses, organizations and local government. In close collaboration with village mayors and active community groups, COAF has continued its work in 2008 to improve the quality of life for present and future generations of Armenia's children.



Program Highlights from 2008



Education

In 2008, the school children of Dalarik moved to their fully refurbished school, the ninth reconstruction project completed by COAF since 2005. COAF obtained the central government's support in joining two existing schools in Dalarik, creating one entity that would operate in the newly reconstructed and refurbished building. In the villages of Karakert, Lernagog and Dalarik, over 500 students participated in school Summer Camps, where they had the opportunity to take part in new and engaging learning methods, as well as a series of organized cultural, sport and intellectual contests throughout the cluster. COAF has partnered with Step by Step Benevolent Foundation in the training of primary school teachers. HSBC Bank Armenia made an education grant to COAF in 2008, helping to provide vocational training to youth in the Model Cluster communities.



Health

Community Health Education programs continued in 2008, focusing on such topics as healthy lifestyle, hygiene and prevention of common diseases, management of chronic diseases, prenatal care, child care, and cervical and breast cancer detection. COAF continued modernizing medical units through provision of appropriate furniture, equipment and supplies, as well as knowledge sharing and nurse training sessions. Both the Lernagog and Dalarik Health Clinics were reconstructed and refurbished. Community participation is integral to the infrastructure program: 10% of the funds for the Dalarik Health Clinic came from the local government. The Miasnikian Polyclinic was provided with a new X-ray machine and new equipment for its clinical laboratory. COAF's Mobile Medical Teams continued to supply much needed diagnostics, OB/GYN and eye care specialists to the villages. The cluster now has three modernized health care facilities and one new lab, as well as 28 trained medical staff.



Social Programs

To encourage socially active communities, the Psycho-Social (PS) Center provides outreach services to children and adults. The Center also assists villagers in interacting with government authorities and agencies. As a result, more beneficiaries applied independently for assistance, with less intervention from social workers, marking a significant accomplishment. The inter-village publication, *Shrjadardz*, which aims to improve communication and strengthen links among village communities was disseminated every month in 2008.



Economic Development

Together with Heifer International, COAF established new Youth Clubs, through which local youth are introduced to healthy living, agribusiness, civic responsibility, ecology, logic and journalism. COAF renewed its relationship with Heifer International, with the goal of helping 85 families from five rural communities lift themselves out of poverty. Cascade Credit and COAF launched a special Loan Program, and more than 100 residents took loans with terms and conditions specifically designed for rural areas. The Waste Management System expanded, utilization increased and local governments made greater contributions. A Milk Collection Station was created to increase the income of families involved and promote cattle breeding.

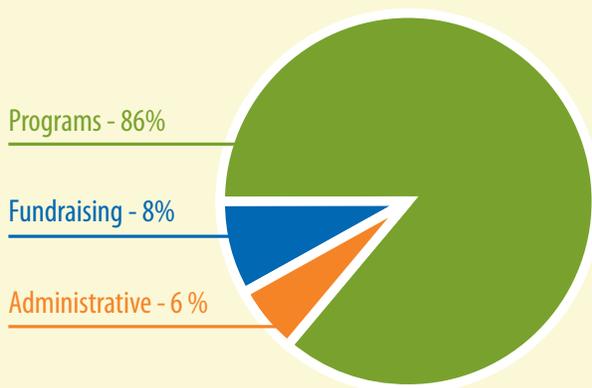
Financial Summary

We are pleased to present a summary of the consolidating financial statements for the Children of Armenia Fund, Inc. and Armenian subsidiary for the period ending December 31, 2008, which bear an unqualified auditing statement from the accounting firm Lutz & Carr LLP. The audit was conducted in accordance with the auditing standards accepted in the United States.

COAF's Balance Sheet and Income Statement (December 31, 2008)

Assets		Liabilities and Net Assets	
Cash and cash equivalents	\$1,813,379	Accounts Payable	\$296,973
Unconditional promises to give (unrestricted)	\$206,182	Loan Payable	\$44,013
Unconditional promises to give (restricted for future programs)	\$224,589	Net Assets (unrestricted)	\$1,942,187
Prepaid expenses and other current assets	\$235,078		
Marketable securities	\$17,006	Net Assets (temporarily restricted)	\$401,872
Non Marketable Investment	\$121,467		
Property and equipment	\$67,344		
TOTAL:	\$2,685,045		
Total COAF-US Revenue	\$846,668	Total Liabilities & Net Assets:	\$2,685,045
Total COAF-US Program Expenses	\$1,503,508		

Total COAF-US Expenditures 2008



A full financial report is available upon request:
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