Dear Friends,

For over 22 years, Child Aid has been working in Latin America to provide opportunities for desperately poor children. With the help of our supporters, we have become a force for childhood literacy in the highlands of Guatemala, serving children in 24 communities.

As co-founders and board members, we often hear comments on how good we must feel about Child Aid’s accomplishments. The truth is, while it is a profound privilege to do this work, everything we achieve is tempered by our awareness of the overwhelming need that still exists.

Visit Guatemala and you will see impoverished schools without libraries, and classrooms utterly devoid of books. You will see young teachers, who have only the equivalent of a high school education, using the same rote repetition methods that have failed, for generations, to teach Guatemalan children to read effectively. Although these methods teach children to recognize letters of the alphabet and sound out words, they fail to produce true literacy: Most indigenous children in Guatemala are never taught to read in a way that instills the ability to understand meaning, develop opinions, make decisions or solve problems – skills that are taught from kindergarten on in the United States. Without these skills, children will never have the ability nor the confidence to begin the difficult climb out of poverty.

In this report, you will see how your contributions to Child Aid change children’s lives. You will read about the difference Child Aid reading programs make in a country with one of the worst literacy rates in the world. Most importantly, we will introduce you to a few of the children who are acquiring the skills they need to stay in school and better their lives.

Thank you for helping us carry out this critical work. Together, we are making a real and lasting difference.

Our warmest regards,

Nancy Press
Board President and Co-founder

Richard T. Carroll, Ph.D.
Treasurer and Co-founder
Reading for Life

Reading for Life is Child Aid’s core educational program. Through it, we give thousands of poor children in Guatemala the motivation, structure and resources to learn to read. We partner with rural communities to establish libraries, shaping them into local reading centers. Each year, we deliver tens of thousands of books. We train librarians to become catalysts for literacy in their communities, and we provide teachers in neglected schools with training, materials and mentorship to become more effective educators.

Why Guatemala

Guatemala is a country of immense physical and cultural beauty. Indigenous markets unfold beneath smoking volcanoes, and ancient Mayan ruins lie hidden in subtropical forests. What impresses most visitors to Guatemala, however, are the people. Despite living in extreme poverty, they are welcoming and generous. Indigenous children, who often labor alongside their parents to help make ends meet, have the same shining curiosity in their eyes that children everywhere have.

Unless educational resources are brought to their communities, most of these children will fail to complete third grade. Like their parents and grandparents before them, they may never develop the reading skills necessary to advance educationally and improve their lives. This country — beautiful beyond words — is also home to the lowest literacy rate in Latin America and some of the worst poverty in the Americas. With your help, we are working to change this.

Changing Lives Through Literacy

For the world’s poorest children, literacy offers the ability to advance educationally, to think critically and to improve one’s opportunities. In Guatemala, every year of education a child completes represents a 13% increase in income. True literacy allows a child born into poverty to aspire to a better life and know that her aspirations can be realized.
In rural Guatemala children grow up with little or no access to books. Families lack money to purchase them, schools are underfunded, and libraries are rare. The few libraries that do exist are often no more than cramped, unstaffed storage rooms with a handful of outdated books that are of little use to children.

Working with committed local partners, Child Aid established 34 community libraries in small towns and rural villages throughout the Guatemalan Highlands. We now work in these and other libraries to help ensure they are well-stocked, fully accessible and deeply involved in literacy work within their communities.

With training and support from Child Aid, our librarian partners conduct reading activities for hundreds of children who lack basic reading skills. These programs take place throughout the year, both in libraries and in local schools. We help librarians conduct literacy outreach in their communities and establish book-lending programs that allow children to take books home, often for the first time in their lives. The result? More children have access to books and more children are reading.

In 2009, Child Aid:

- Trained 38 librarians representing 29 rural libraries.
- Sponsored summer reading activities in 13 indigenous communities.
- Supplied 34 libraries with thousands of quality children’s books.
- Co-founded a new library in the coffee-growing town of Pasac.

“With training and support from Child Aid, our librarian partners conduct reading activities for hundreds of children who lack basic reading skills. These programs take place throughout the year, both in libraries and in local schools. We help librarians conduct literacy outreach in their communities and establish book-lending programs that allow children to take books home, often for the first time in their lives. The result? More children have access to books and more children are reading.”

–Blanca Alvarado, Child Aid Staff Librarian, Guatemala
Training Rural Teachers

In Guatemala, most public school teachers enter the profession with the equivalent of a high school diploma. They lack the practical classroom skills needed to teach and promote reading effectively. For children, this results in low achievement and staggeringly high dropout rates, even in the primary-school years. When parents see no real progress from their children’s schooling, many make the difficult decision to withdraw them from classes and put them to work. At Child Aid, we aim for a different result.

We have learned that it takes more than books and buildings to improve educational opportunity. Lasting change comes from people, not projects. Unlike any other organization in Guatemala, Child Aid provides ongoing literacy training and classroom follow-up sessions for hundreds of rural public school teachers. We now partner with 24 schools throughout the Central Highlands (ten more than in 2009) to train, support and mentor more than 300 teachers. We are helping them turn the tide of illiteracy in their communities, impacting thousands of children each year.

Maide Ramírez (left) teaches second grade in Santa Rosa, a community of former refugees from Guatemala’s long and violent civil war. “Before [the teacher trainings] I read very little to the children,” she says. “Now I hold story-hour every day.” With books we provided to her school, Maide began a book lending program. When we last visited, she asked her students how many of them had brought books home to read with their families. Every child shot a hand into the air as Maide proudly looked on.

In 2009, Child Aid:
• Partnered with 14 schools in rural indigenous communities.
• Trained 208 teachers to promote and teach reading more effectively.
• Engaged 4,181 children in school-based literacy activities.
• Conducted 583 one-on-one classroom training sessions with teachers.

Child Aid gives rural teachers the tools to fight illiteracy in their classrooms.

Bracila Sajbochol, a Child Aid literacy trainer, works with first-graders in Santa Lucia Cotzumalguapa.

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Bringing Books to Children

What is a 1976 U.S. phone directory doing in the tiny library of a Mayan school? Each year, thousands of such useless books — many of them decades old — land in developing countries as part of well-meaning but ill-considered foreign donations. Sadly, they do nothing to further the cause of literacy.

The books Child Aid brings to communities are relevant, age-appropriate and much needed. Working every day in local schools and libraries, our literacy teams ensure that children have access to quality Spanish language materials that support their school work and inspire them to read.

We do this, not by going in, dumping books and leaving. Rather, we work with local partners to see that the materials are truly used by children.

Together, we remove useless titles, catalogue incoming books and improve library spaces. We encourage schools and libraries to lend books — something rarely done in Guatemala — so children can read at home. Most importantly, we train librarians and educators to use these materials in daily reading programs.

The tens of thousands of books Child Aid delivers are essential and fundamental tools in our fight against illiteracy.

In 2009, Child Aid:

• Delivered 13,000 children’s books to 36 communities.
• Made them accessible to over 10,000 impoverished children.
• Improved book collections in 49 schools and libraries.

Two years ago, children in Las Canoas had no access to books. Their classrooms were bare, and their school library was closed. Today, these K’iche’ Mayan children have access to hundreds of children’s books and quality reference materials in their library and their classrooms. Our program delivers books and ensures they are used.
The most effective way to empower communities is through grassroots partnerships with local organizations and committed individuals. In addition to the hundreds of teachers and librarians with whom we work, Child Aid partners with in-country nonprofits to broaden our impact.

**FUNDIT El Tejar, Guatemala**

Since 1996, Child Aid has partnered with FUNDIT (pronounced foon-deet), a locally run community organization in El Tejar, Guatemala. Child Aid and FUNDIT operate the only Montessori preschool for poor children in the country, a four-year, early-start program serving children 3-6 years of age. All children who complete this preschool program leave knowing how to read and write at a basic level – an astounding accomplishment considering Guatemala’s extremely high rates of illiteracy.

Due to the extreme poverty of their families, many of the 105 children enrolled are malnourished. Child Aid and FUNDIT sponsor a nutrition program that offers free daily meals to the students. We also provide long-term scholarships to the school’s neediest graduates so they can progress through primary and middle school. A local library, supported by Child Aid and FUNDIT, ensures that families in El Tejar have access to quality books and reading programs. This multi-faceted partnership gives hundreds of poor children in El Tejar educational opportunities they would otherwise never have.

**CORAL Oaxaca, Mexico**

Twenty-two years ago, Child Aid founded a low-income hearing clinic in Oaxaca, Mexico. This clinic, called CORAL, has since grown into a full-service speech and hearing center, the only resource of its kind for poor families in southern Mexico. Child Aid provides oversight and operating assistance to CORAL, bringing testing, therapy, clinical services, advocacy, family support and hearing aids to some of the poorest children in the country. CORAL staff work with families and schools to integrate hearing-impaired children into their communities. Using a mobile testing unit, they also visit remote communities and screen infants and children who would otherwise have no access to hearing tests. This is made possible by Child Aid supporters.

In 2009, Child Aid and its partners:

- Provided quality Montessori education to 105 preschool children from poor families.
- Provided 109 scholarships to impoverished students allowing them to attend primary and middle school.
- Tested more than 1,200 children as part of its Early Detection program.
- Served 1,505 poor children and adults in its hearing clinic.

Below: For over a year, Andrea’s parents tried to find help for their two-year-old twins, who were both diagnosed with profound hearing loss. After the family discovered CORAL and the girls were accepted into the program, the family’s world changed. Within a month, both girls were outfitted with donated hearing aids. They now receive language therapy four days per week, and a social worker is helping them prepare for entry into kindergarten. “My dream,” says the girls’ mother, Lorena, “is that my daughters will be able to attend a normal school by the time they are five.”
Child Aid 2009 Financial Statements

Child Aid is an efficient, cost-effective nonprofit organization that prioritizes programs for children that make a real and lasting difference. In 2009, we were again ranked as a Four-Star Charity by Charity Navigator, the nation’s leading independent evaluator of nonprofit organizations. Charity Navigator determined that Child Aid is fiscally responsible and financially stable, exceeding industry standards and outperforming most other charities in our field.

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<th>Revenue</th>
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<tr>
<td>Unrestricted Cash &amp; Security Contributions</td>
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<td>Restricted Contributions &amp; Grants</td>
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<td>In-Kind Donations (non-cash)</td>
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| Revenue Over Expenses     | $(45,823)|

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<td>Accounts payable &amp; current liabilities</td>
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<table>
<thead>
<tr>
<th>Net Assets</th>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Temporarily restricted</td>
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</table>

| Total Net Assets:          | $1,086,576|
| Total Liabilities and Net Assets | $1,101,315|

Throughout its history, Child Aid has spent, on average, over 95% of its income on programmatic activities. In 2009, this percentage decreased to 83% as we expanded our organizational infrastructure to more effectively manage the growth of our work in Latin America. In 2010, we will direct over 90% of our revenue to programs.

Education for Girls

Indigenous girls are less likely to be in school at age 7 than any other group in Guatemala. In some areas, over 75% of women cannot read or write. Child Aid provides literacy programs to thousands of girls throughout Guatemala’s Highlands. Through our partner school in Antigua, Guatemala, we also provide scholarships to indigenous women that allow them to study to become teachers in their own rural communities.
On behalf of Child Aid’s Board of Directors and staff, as well the children and communities we serve, Thank You! Your generosity makes our work possible, allowing us to bring educational opportunity and critical hearing services to some of the poorest children in the world.
Without you, our work would not be possible.

Child Aid owes special thanks to our key sponsors.

Cornerstone Partners

International Book Bank

International Book Project

Capstone

Planet Wheeler Foundation

WillKenzie Estate Winery

Bilingual Educational Services

Katherine B. Andersen Fund of
The Saint Paul Foundation

The International Foundation

Ethical Bean Coffee Company

PEG Partners, Inc.

Verizon Foundation

Sustaining Partners

British Columbia Library Association, Libraries Across Borders

Lake Eden Arts Festival (LEAF) Hocks Corporation

Oregon Lions Sight and Hearing Foundation

Delta Publishing Company

Educational Development Corporation / EDC Publishing

Jim’s Organic Coffee