

10<sup>th</sup>

ANNIVERSARY

Inna Tsoi  
VALEDICTORIAN  
• 2017 •

# ANNUAL REPORT 2017

U.S.-CENTRAL ASIA EDUCATION FOUNDATION



AUCA FELLOW SUHAILO MAMADNIYOZOVA





ANNIVERSARY





10-YEAR ANNIVERSARY CELEBRATION IN ALMATY | NAZIRAKHON KHOLTURAEVA





# ANNUAL REPORT 2017



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“U.S.-CAEF GAVE ME A HELPING HAND AND HOPE DURING THE HARD TIMES FOR MY FAMILY; MOTIVATED ME TO BE NOT ONLY PERSISTENT AND DETERMINED BUT ALSO TO BE KIND. IN THE FUTURE, I HOPE TO HELP YOUNG PEOPLE IN THE SAME WAY. MY FAMILY AND I DO NOT HAVE ENOUGH WORDS TO EXPRESS OUR GRATITUDE.”

- **Galiya Kemelbaieva**  
KIMEP senior





“IT IS NO SECRET THAT BEING PART OF THE U.S.-CAEF IS A ONCE-IN-A-LIFETIME EXPERIENCE. YET, TO TRULY UNDERSTAND HOW VALUABLE IT IS, ONE NEEDS TO KNOW WHAT U.S.-CAEF REALLY STANDS FOR. FIRST OF ALL, IT IS A **U**NIQUE EXPERIENCE. BESIDES, IT IS A COMMUNITY THAT FOSTERS **S**UCCESS WITHOUT EVER COMPROMISING A HIGH SENSE OF **C**AMARADERIE AMONG ITS FELLOWS. LASTLY, IT IS AN ENVIRONMENT THAT FAVORS ASPIRATIONS AND **A**CHIEVEMENTS, RAISING PEOPLE WHO REALIZE THAT **E**FFORT COUNTS MORE THAN **F**ORTUNE.”

**-Alexey Yan**  
Tax Consultant  
KPMG Almaty



## FORMATION

The U.S.-Central Asia Education Foundation (the Foundation) commenced operation in May 2007. The Foundation is a not-for-profit corporation funded by a grant of \$15.7 million from the U.S. Government-sponsored Central Asian-American Enterprise Fund (the Fund) to continue the Fund's work in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

The Foundation provides educational opportunities in business and other activities to cultivate a principled, entrepreneurial environment in Central Asia that fosters the growth of free enterprise and open markets. The Foundation is grateful for support from the Fund, the U.S. Government and its citizens, which make its operation possible.

## MISSION

The Foundation's mission is to encourage and assist the development and growth of a vibrant, open-market, private business sector in Central Asia by: supporting the quality of - and affordable access to - Western business know-how and practices at selected institutions of higher education in the region that have adopted Western curricula and teaching methods; providing opportunities for educational, vocational, and cultural experience in countries that serve as positive examples of an open-market economy operating within a democratic environment; and promoting other activities that will generate a favorable environment in Central Asia for private business to succeed and for an entrepreneurial spirit to thrive.



CAPSTONE INTERNS IN WASHINGTON, DC

## Programs

The Foundation executes its mission through two programs:

### ENTERPRISE STUDENT FELLOWSHIPS

A financial need-based undergraduate business education scholarship program for academically gifted students, who, due to financial hardship, would otherwise not be able to pursue a university education. Scholarships are provided at selected Central Asian universities to citizen residents of the Central Asian countries of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

### ENTERPRISE INTERN FELLOWSHIPS

A program for select Enterprise Student Fellows to gain practical work experience within Central Asia, as well as educational, vocational and cultural experience in the United States or other countries that serve as positive examples of democratic open-market economies.





GULNAZA KHALMANBETOVA GRADUATES MAGNA CUM LAUDE FROM AUCA



BUNYOD ABDUKARIMOV AT KIMEP UNIVERSITY COMMENCEMENT

#### PARTNER UNIVERSITIES

## AUCA and KIMEP University

Our partner universities, the American University of Central Asia (AUCA) in Bishkek, the Kyrgyz Republic, and KIMEP University in Almaty, Kazakhstan, were selected based on several criteria including their use of English, the international language of business, as the primary language for instruction; adoption of a Western-style curriculum and teaching methodology; and a willingness to support the goals of the Foundation and its Student Fellows.

## Alumni Association

The U.S.-CAEF Alumni Association (the Association) develops and enhances the involvement of Enterprise Fellowship Program Alumni in supporting and complementing the mission and goals of the Foundation through communication, service and leadership.

#### PROGRAM ADMINISTRATOR

## American Councils for International Education

American Councils for International Education is a premier, international nonprofit creating educational opportunities that prepare individuals and institutions to succeed in an increasingly interconnected and rapidly changing world. Through academic exchanges, overseas language immersion, data-driven research, and educational development programs, American Councils designs and administers innovative programs and language assessments that broaden individual perspectives, increase knowledge, and deepen understanding.

Throughout its 40-year journey, American Councils has worked in more than 85 countries and built a community of more than 75,000 alumni—from high school and college students to ambassadors, diplomats, journalists, artists, educators, and other professionals.





In May 2017, U.S.-CAEF celebrated its 10th anniversary. For a decade, U.S.-CAEF has been providing outstanding students who face financial challenges the unique opportunity to complete undergraduate degrees in business and economics at two of Central Asia's most respected universities, gain invaluable professional experience through internships in the region and in the U.S., and join a dynamic network of over 200 U.S.-CAEF alumni who today are among Central Asia's most promising entrepreneurs, business leaders, economists, and financial analysts.





JUNIOR ALISHER MURTAZAEV

## Student Fellowships

The 2017 fiscal year was another successful year for the Foundation. We celebrated our seventh graduating class of Enterprise Student Fellows. A total of thirty-three Fellows, **16 from AUCA** and **17 from KIMEP University**, completed their undergraduate studies and embarked on their careers.

## Student Internships

The sixth U.S. International Capstone Internship Program took place during the fall of 2016, when **eight recent U.S.-CAEF graduates** traveled to Washington, DC to engage in carefully selected internships from August 29 to December 10, 2016. Another select group of **six graduates**, started their internship programs on August 28, 2017. The four-month internship program in the U.S. is designed to provide substantive professional experience relevant to each Student Fellow's degree studies.

**The Regional Internship Program continued to be a success.**

**Ten sophomores** successfully completed their 2017 summer internships, gaining a first-hand look at business operations in the region and preparing for additional internships in their junior and senior years.



MENTOR &amp; MENTEE: SOPHOMORE SEZIM AND FRESHMAN BAKYT



ALUMNA AIDANA ABDRAKHMANOVA

### ALUMNI ASSOCIATION

The Alumni Association ("Association") continued to engage in activities that benefited both Alumni and current Fellows. These efforts resulted in a number of collaborative projects and further expansion of the Association's outreach activities to Tajikistan and Turkmenistan.



SOPHOMORE ATAİ AMANATOV



## Graduation 2017 and Celebration of 10-Year Anniversary of U.S.-CAEF

This year's commencement coincided with the program's major milestone— celebration of one decade of success. Fellows and alumni welcomed the 10-year anniversary celebration as an opportunity to recognize and honor the founders and directors of U.S.-CAEF and express their gratitude to the program which changed their lives and opened limitless opportunities for them to grow and serve their communities.



KIMEP UNIVERSITY'S MAJOR HALL RENAMED AFTER U.S.-CAEF

The class of 2017 is the seventh graduating class of U.S.-CAEF Enterprise Fellows, bringing the total number of Alumni to 200. U.S.-CAEF remains the largest scholarship provider at KIMEP University and among the largest financial supporters of AUCA students.

The Directors of U.S.-CAEF traveled to Central Asia to celebrate the accomplishments of the class of 2017 and the program's 10-year anniversary.

U.S.-CAEF Directors, Stephen Weinroth and Alan Brumberger, traveled to the Kyrgyz Republic and Mary Ginsberg to Kazakhstan to attend commencement ceremonies on May 20 in Almaty and on June 3 in Bishkek.

KIMEP President Dr. Chan Young Bang honored the contributions of U.S.-CAEF and its Fellows by inviting Mary Ginsberg to join administrators and honored guests on stage during the commencement ceremony in Almaty. In her speech during the event, Raushan Kanayeva, Director of the Corporate Development Department, acknowledged the important role of U.S.-CAEF in providing Central Asian youth with life-changing opportunities over the past 10 years, and

announced the decision of the KIMEP administration to rename the university's major hall after U.S.-CAEF as a sign of deep appreciation of the cooperation between KIMEP and U.S.-CAEF since the program's inception in 2007.

After the official commencement events, Fellows and guests took part in a tree planting ceremony on the premises of KIMEP University. Originally proposed by **Aidai Topchubaeva**, a rising senior from Kyrgyzstan, the tree-planting found great support among Fellows and the university administration. A commemorative plaque with the name of the program was placed next to the evergreen seedling symbolizing the program's youthful spirit and growing strength.

Receptions in honor of graduating Fellows took place after the commencement ceremonies. Graduates and their families, current Fellows, alumni, university faculty, administrators, internship hosts, and honored guests from the U.S. Embassy and USAID joined the events. In Bishkek, once again Madam Ambassador Sheila Gwaltney attended the U.S.-CAEF reception.





## Steven F. Shea Awards for Graduating Fellows

During the graduation receptions, Directors announced recipients of the Steven F. Shea Excellence Award (Award). This Award was established by the Foundation in May 2015 to commemorate Mr. Steven F. Shea, a founding director of U.S.-CAEF and its first President. The Award is presented annually to the outstanding graduating Fellows in recognition of their significant academic and professional achievements, service to the community, and active commitment to the economic growth of Central Asia.

The U.S.-CAEF Board of Directors granted the Awards to two graduating Fellows in 2017. Mary Ginsberg announced the awards during the annual graduation reception for U.S.-CAEF Fellows at KIMEP University on May 20; Stephen Weinroth announced the honors at AUCA on June 4. Each awardee received a monetary award of U.S. \$1,000 and a plaque of recognition.



## GRADUATING SENIOR AWARD WINNERS



**SAMATBEK OSMONOV**

A native of Karakol, Kyrgyz Republic, Samatbek graduated from AUCA summa cum laude. During his spring 2015 semester abroad, Samatbek earned the highest GPA (4.33/4.50) among all exchange students at Linton School of Global Business, Hannam University, South Korea.

Samatbek became a finalist in Start-up Weekend Kyrgyzstan, KPMG and PwC case competitions in 2016. These experiences became the foundation for the first AUCA Case Club, which Samatbek co-founded with other U.S.-CAEF Fellows in June 2016.

Samatbek's work experience includes an internship at "Ideagrad", a startup incubator; researching the investment climate in Kyrgyzstan through Rebicon; and, finally, his recent work as a financial analyst at Mol Bulak, a microcredit company. At Mol Bulak, Samatbek implemented a new cash flow management system that allowed the company to optimize and automate a range of processes, and reduce numerous responsibilities for more than 100 employees all around Kyrgyzstan. In cooperation with the CFO, Samatbek also developed a bonus system that increased the employees' motivation and productivity up to 15%.

In addition, Samatbek was an active member of the AUCA debate club, Future Leaders of the World, Green Campus, the Unity Fund and Kelechek.



**ZARRINAKHON MULLOBOEVA**

A finance major and a native of Khujand, Tajikistan, Zarrinakhon graduated from KIMEP magna cum laude.

The impressive array of Zarrinakhon's extracurricular activities demonstrates her strong leadership skills and motivation to contribute to the success of her community. Zarrina is the founder of two university clubs—Tree Huggers, an environmental club, and Half the Sky, an association for women in business at KIMEP. Zarrina was also managing editor of The KIMEP Times, which has been recognized as best corporate magazine in Kazakhstan for three consecutive years. In addition, Zarrina is a member of the KIMEP Honor Society, a prize winner of the MARS Case Competition and the CFA Institute Research Challenge, and a winner of the Debate Championship in Almaty in 2015. In 2016, Zarrina interned in the Corporate Finance Department of Bank Center Credit. Last summer, Zarrina organized a conference for young women and interned in the financial division of Imon International, a microcredit company in her native Khujand.

**“TO THE  
FELLOWS & ALUMNI,  
THANK YOU FOR BEING  
A CONSTANT SOURCE OF  
INSPIRATION & SUPPORT!”**

**-Zarrina**

## Accomplishments of Graduating Fellows

In keeping with traditions established over many years by previous cohorts, the 2017 graduating class upheld the high standards of the U.S.-CAEF program, completing their studies at AUCA and KIMEP University with impressive results. Of 33 seniors, 24 have been recognized on the President's and Dean's Lists. Six AUCA and four KIMEP Fellows, or 27% of seniors, graduated with honors:



**Zhamilia Klycheva**  
SUMMA CUM LAUDE



**Samatbek Osmonov**  
SUMMA CUM LAUDE



**Inna Tsoi**  
SUMMA CUM LAUDE



**Shahnoz Jonmamadova**  
CUM LAUDE



**Asel Kaldybaeva**  
MAGNA CUM LAUDE



**Gulnaza Khalmanbetova**  
MAGNA CUM LAUDE



**Azim Tilekov**  
MAGNA CUM LAUDE



**Zarrinakhon Mulloboeva**  
MAGNA CUM LAUDE



**Jamshedi Umarzoda**  
MAGNA CUM LAUDE



**Alexey Yan**  
MAGNA CUM LAUDE



INNA TSOI

**Inna Tsoi** became the first U.S.-CAEF Fellow to graduate with a perfect GPA. As the highest-ranking graduate, Inna was named valedictorian by the AUCA administration this year.

Upon their graduation, 92% of Fellows either secured employment or enrolled in graduate or internship programs – an impressive indicator of the strong reputation that AUCA and KIMEP Universities' business programs enjoy among such leading companies and organizations as Air Astana, American Chamber of Commerce, Beeline, Colgate, International Finance Corporation, KPMG, LG Electronics, Mercy Corps, PricewaterhouseCoopers, Samsung Electronics, Schiever and others.

One of the seniors, **Bakhrom Tursunov**, has been successfully managing two leadership roles as Managing Director of AUCA TV and co-founder and CEO of Mark Twain Digital Marketing Studio.

Enterprise Fellows reported that their academic programs, internship experiences, and career development workshops organized by the U.S.-CAEF program played a major role in their subsequent employment and scholarship awards.





KIMEP UNIVERSITY SENIORS

## Fellowships

2016-17

### 121 scholarships:

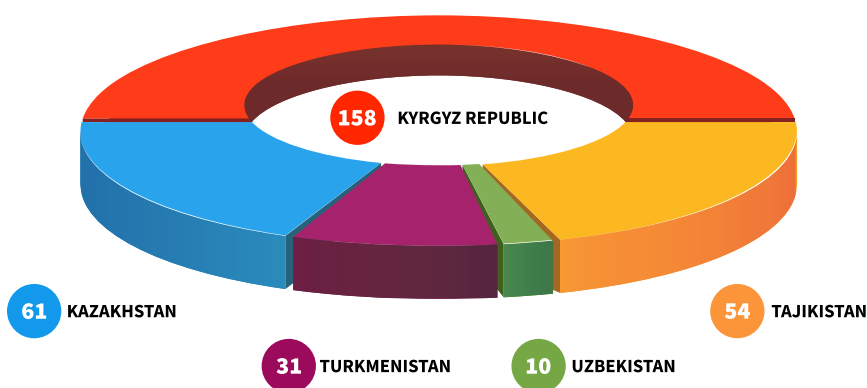
61 AUCA

60 KIMEP University

During the 2016-17 academic year, the Foundation provided 121 Fellowships for 61 Student Fellows to enroll at AUCA and 60 to attend KIMEP University. In the 2017-18 academic year, the Foundation provided another 112 scholarships supporting 57 students at AUCA and 55 at KIMEP University. Enterprise Student Fellows represented all five of the Central Asian Republics.



Enterprise Student Fellows represent all five of the Central Asian Republics



The academic performance of 2016-17 Enterprise Student Fellows was exemplary. Overall, the program-wide average GPA stayed high at **3.63**. The number of Fellows earning a **GPA of 3.00 or higher stands at 94.8%, at AUCA**, while at **KIMEP University, 98.2% of Fellows completed their studies in good academic standing.**

## 55% of U.S.- CAEF Fellows were named to the President's and Dean's Lists during AY 2016-2017

At **AUCA**, fourth-year students with a cumulative GPA of 3.8 or higher are named to the President's List. Students in their second, third, or fourth years of study with a GPA of 3.67 or higher are named to the Dean's List.

**24** of our AUCA students received academic honors

**TABLE 1:** THE NAMES OF THE AUCA STUDENT FELLOWS WHO RECEIVED SUCH HONORS IN THE 2016-17 ACADEMIC YEAR

CLASS OF 2017	CLASS OF 2018	CLASS OF 2019	CLASS OF 2020
Asel Kaldybaeva	Zuhro Ganjibekova	Daniar Abdiev	Uulzhan Aitnazarova
Gulnaza Khalmanbetova	Azatbek Ismailov	Azatbek Alibaev	Farzona Khaidarova
Zhamilia Klycheva	Zhibek Kamalbek kyzy	Meerim Moldaliev	Suhailo Mamadnizoyova
Samatbek Osmonov	Altynai Melisova	Ahrorkhon Ikromov	Zhanna Marchenko
Azim Tilekov	Osiya Olimnazar	Aizhan Kerimbek kyzy	Olga Pykhova
Inna Tsoi	Kanat Osmonov	Kasiet Mambetkul kyzy	Atobek Rakhimshoev
			Meerim Zhanybek kyzy

At **KIMEP University**, full-time students with a semester GPA of 4.0 or higher are named to the President's List, while those with a semester GPA of 3.75 to 3.99 are placed on the Dean's List.

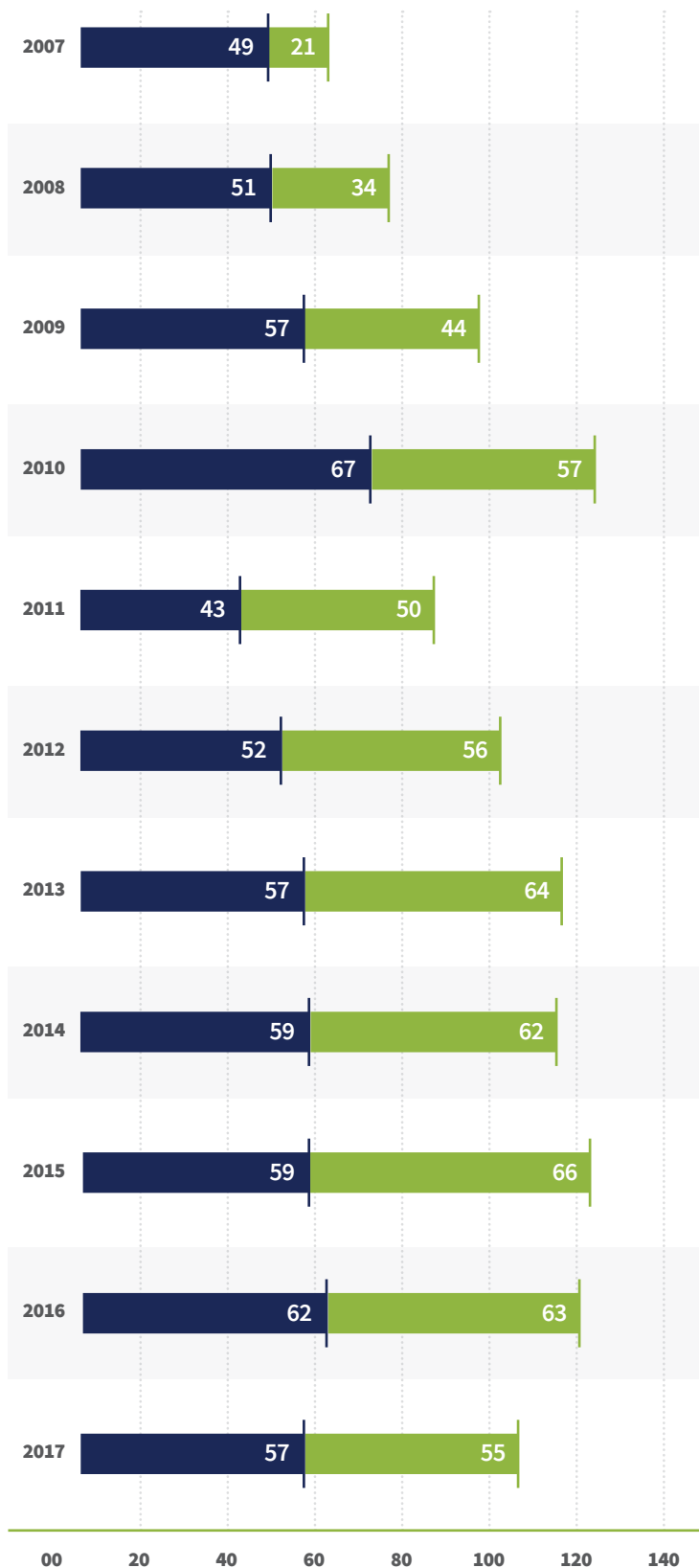
**36** of our KIMEP University students received academic honors

**TABLE 2:** OF 60 KIMEP STUDENT FELLOWS, 36 (60%) WERE RECOGNIZED ON THE PRESIDENT'S AND DEAN'S LISTS

CLASS OF 2017	CLASS OF 2018	CLASS OF 2019	CLASS OF 2020
Bunyod Abdulkarimov	Dastan Akhtayev	Aigerim Akimzhan	Zuhrojon Alijonova
Dinara Alimzhanova	Zhaksat Bassen	Nigora Burhonova	Didorali Anoyatbekov
Timur Azizov	Kamila Bekbaganbetova	Alisher Murtazaev	Nazirakhon Kholturaeva
Shahnoz Jonmamadova	Guljemal Hojalyeva	Bakhtiyor Otambekov	Gavkharkhon Mamadzhanova
Timur Karimov	Shahlo Jonmamadova	Nilufar Umarova	Indira Manjiyeva
Nursultan Irisov	Jahongir Rahimov	Rustem Yesnazarov	Sultan Molutov
Dana Kussain	Aidai Topchubaeva	Mustafa Ziyatbekov	Malikabonu Orifjanova
Zarrinakhon Mulloboeva	Zuhro Qonunova		Meylis Rahmanov
Usnibegim Rahimjonova	Zulfiya Urunova		
Aigerim Rysbayeva			
Jamshedi Umarzoda			
Alexey Yan			



## STUDENT FELLOWS BY INSTITUTION SINCE PROGRAM INCEPTION



KIMEP UNIVERSITY



## RECRUITING &amp; SELECTION

Recruitment activities for the U.S.-CAEF Fellowships continued in earnest until the application deadline of January 20, 2017. American Councils field staff carried out a rigorous recruitment drive, traveling extensively and finding creative strategies to reach out to new constituencies. As a result, this year we received **356 Fellowship applications**.

*This is the 2nd highest number of applications in the history of the program.*

By engaging applicants from diverse, often underserved areas of Central Asia, our colleagues' efforts continue to ensure that the Fellowship remains truly accessible to students of all backgrounds.

Continued high application numbers from Kazakhstan, the Kyrgyz Republic and Tajikistan reflected U.S.-CAEF's growing reputation in these countries. Feedback from recruitment efforts indicates that the U.S.-CAEF program now enjoys widespread name recognition and most high school students in the region are aware of this important opportunity for those who intend to study business. As in previous years, the Kyrgyz Republic and Tajikistan account for the largest portion of our applications, 144 and 142 applications respectively.

However, in Uzbekistan and Turkmenistan, application numbers were low again due to government policies that do not permit direct recruitment. The Foundation remains deeply committed to achieving geographic and regional diversity in its applicant pool and hopes that future improvements in diplomatic relations will enable U.S.-CAEF to recruit actively in all five Central Asian countries.

## Future Leaders

Enterprise Student Fellows are active members of university clubs, leaders, innovators, and role models who contribute markedly to the dynamic environment of their campuses and help each other develop the talent and perspective essential to leadership in a challenging world. Below are just a few of the many examples of their leadership.



AZATBEK ISMAILOV



MEERIM MOLDALIEVA



SULTAN MOLUTOV

After sweeping victories over their other opponents, **Kanat Osmonov** was elected Head of the Financial Committee of the AUCA Senate and **Bunyod Abdukarimov** became Vice-President of Finance of the KIMEP student government. In these key roles, the Fellows oversee the budget committees and fair distribution of student funds to student organizations. Another AUCA Fellow, **Meerim Moldalievna** in her role as Vice President of Finance of AIESEC in Bishkek has significantly improved the accounting system of the student-run organization.

As a member of the AUCA Case Club (the Club) management team, **Azatbek Ismailov** continued improving the activities of the organization founded by other U.S.-CAEF Fellows in June 2016. Under his leadership, the Club has become one of the most popular organizations at AUCA. In 2017, the Club signed a partnership agreement with BizExpert, a research and consulting company, which provides professional guidance on improving the services of the organization. Because of this cooperation, the Club organized the first Case Cup in Bishkek which gave students not only at AUCA but other universities throughout the country

the opportunity to showcase their business knowledge, hone their analytical capabilities, sharpen critical thinking, utilize presentation skills and apply what they learned in the classroom in an intellectually demanding and highly competitive setting.

“MY GOALS ARE TO RAISE THE SERVICES OF THE AUCA CLUB TO A NEW HIGH LEVEL AND FOR A KYRGYZ TEAM TO WIN AN INTERNATIONAL COMPETITION,”

-Azatbek

Following the examples of their older counterparts, entering Enterprise Fellows have also taken up leadership roles in university organizations. As Deputy for the Bang College of Business and a member of the Budget and Disciplinary Committee of the student government, freshman **Sultan Molutov** represents the interests of business students at KIMEP University. “During this year, I worked closely with the university administration to solve some crucial issues such as improving the Internet connection on campus; adjusting heating system of the dormitory by installing additional heaters during cold winter days; discussing academic issues; coordinating student organizations during the charity fair; protecting interests of students in the disciplinary process, and assisting in managing the organization’s budget,” wrote Sultan.

the opportunity to showcase their business knowledge, hone their analytical capabilities, sharpen critical thinking, utilize presentation skills and apply what they learned in the classroom in an intellectually demanding and highly competitive setting.





# University Clubs Through the Prism of Time

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Since the program's inception in 2007, AUCA and KIMEP University Fellows have founded and co-founded fifteen university clubs and organizations. These organizations were established to address the needs of local communities as well as students' academic, professional, social and special interests. Over time, some clubs, having fulfilled their missions, closed, and new ones emerged. In this 10th anniversary issue, the Foundation would like to highlight a few clubs created by different generations of fellows.





## ENTREPRENEURS CLUB

Co-founded in 2010 by **Oralbek Seytmanov**, **Askar Saparbekov** and **Sakina Yasakieva** to help students develop their business skills.

- The club was governed by the board of trustees, which included KIMEP professors.
- The club attracted an American investor, which led to the first student-run business project “Proud of KIMEP” which created and sold the first KIMEP branded line of quality clothing. This highly successful project helped promote the school image and spirit.



## OPEN HEARTS

Initially created by alumna **Bostan Seyipova** in 2010, this charitable club was revived by two younger Turkmen fellows **Ayna Annaorazova** and **Gozel Ilmuradova** in 2014.

- Open Hearts helps orphanages and boarding schools in Almaty through teaching English and math to children; organizing educational, cultural, holiday events, food and clothes drives; finding sponsors; and raising funds.
- Open Hearts remains popular among fellows and other KIMEP students due to its noble mission.



## UNITY FUND

Co-founded by alumnus **Igantii Kim** in 2010 as a response to tragic events in Osh to help victims of the ethnic tension.

- Currently, it is a highly successful charitable fund helping diverse groups-senior citizens, orphans, homeless and handicapped people.
- Named as Best Club 2010 by AUCA and Best Project 2010 by the FLEX Alumni Association.

## AUCA CASE CLUB

Established in June, 2016 by **Samatbek Osmonov**, **Kuttubek Rakhmanberdiev**, **Azim Tilekov**, **Azatbek Ismailov** and **Kanat Osmonov** to help students improve their business case solving skills through workshops and internal case competitions in partnership with BizExpert, a research and consulting company.

- Of 35 members fifteen are U.S.-CAEF fellows.
- In spring 2017, the Club organized its first case competition among universities in Bishkek, “which became a good catalyst for the club’s growth and public awareness” (Azatbek Ismailov).





## HALF THE SKY

Co-founded by **Zarrina Mulloboeva** in 2016, Half the Sky is an association for women in business at KIMEP University that focuses on empowering female students to become community and business leaders.

- **Activities:** guest lectures and business breakfasts with women leaders from the community who are inspiring professionals.

## TREE HUGGERS

Co-founded in early 2015 by **Zarrina Mulloboeva** and **Shahnoz Jonmamadova**, KIMEP Tree Huggers is an environmental student organization.

- Tree Huggers strives to increase public awareness about ecological problems through organizing special educational sessions and hands-on environmental projects, which include book swaps, recycling weeks, sale of eco-bags, discussions of various hot topics via social media, free movie screenings and open master classes.
- Currently, the organization has 15 members and is managed by Nilufar Umarova.

## CHESS CLUB

Established by AUCA alumna **Malika Ibragimova** in 2010 and rejuvenated by freshman **Shaislam Shabiev** in 2016.

- **Purpose:** to help students develop logic and critical thinking, and prepare a strong team of chess-players to represent AUCA at local and international tournaments.
- **Accomplishments:** 1st place in Chess Festival in Bishkek in 2016; organization of the AUCA Chess Championship and simultaneous display, where Shaislam played multiple games at a time with 15 players; and representing AUCA in the major chess league of Kyrgyzstan for the first time.
- **Community project:** “Young Grandmasters” aims to break barriers between healthy children and kids with Down Syndrome through playing chess.

## YOUTH SOCIAL ENTREPRENEURSHIP PROJECT (YSEP)

Founded in May 2016 by U.S.-CAEF alumna **Karina Kussainova**, the organization strives to help orphans and children from economically disadvantaged families.

- Of the 65 children YSEP reached out to directly in 2017 through educational and charitable projects, 40 are from the orphanages in Altyn Uya and Elistan, and 25 are from low-income families.
- YSEP has also organized garage sales to support Senior Friends, a student organization that targets orphanages in the southern part of Kyrgyzstan.
- Current project: finding sponsors for 5 gifted children to finance their education.





## Enhancing Learning Through Practical Experience

U.S.-CAEF Fellows actively seek professional development opportunities to better prepare for their future careers. To meet this demand, numerous career planning, professional development, and team-building seminars are organized by U.S.-CAEF.

During this reporting period, U.S.-CAEF also arranged special workshops on personal and career development, resume writing, social entrepreneurship, time management, and budgeting for Enterprise Fellows. Such activities help Fellows develop important soft skills, learn about local industries, establish important business contacts, and explore potential career paths. They also stimulate Fellows to seek opportunities to apply their knowledge and skills outside the university.



KAMILA BEKBAGANBETOVA

While interning at Autodom Group LLP, one of the leading transportation providers for the oil industry in Kazakhstan, **Kamila Bekbaganbetova** developed a new system that significantly improved the efficiency of financial analysis and audit procedures of the company. The catalogue where Kamila gathered all important financial information was approved by the company's CFO, and effective January 1, 2017, all eleven centers of the company were required to use the new system.

**Dastan Akhtayev's** internship with GlaxoSmithKline Pharmaceuticals (GSK) taught him the importance of balancing profit-making activities with activities that benefit society.

"I was involved in launching new medicine, engaged in multichannel communication with health care professionals, and administered the customer relationship management software."

“KNOWING THAT EVERY PRODUCT THAT WE PROMOTED COULD AFFECT SOMEONE'S HEALTH MADE ME FEEL RESPONSIBLE FOR THE INFORMATION I PROVIDED.”

-Dastan





DASTAN AKHTAYEV (CENTER)

As part of the FLEX Exchanges to Internships program, two AUCA juniors, **Takhmina Zakirova** and **Azatbek Ismailov**, were selected to intern at the Ministry of Economy of Kyrgyz Republic and the State Agency for Antimonopoly Regulation, respectively, from March 1 to May 31, 2017. This highly competitive program, created by the U.S. Embassy in Kyrgyzstan and American Councils in 2011, offers only 10 internship placements each year. “Productive, extremely useful, and rich – this is how I would describe my three-month internship at the Ministry. While interning in the Investment Policy and Free Economic Zones Department, I assisted with finalizing and preparing documents for ratification of investment agreements with several countries and helped with the “Doing Business” project to prepare reports, compile statistics and communicate with the people responsible for the project,” wrote Takhmina about her internship experience.

“PRODUCTIVE,  
EXTREMELY USEFUL,  
& RICH – THIS IS HOW  
I WOULD DESCRIBE MY  
THREE-MONTH  
INTERNSHIP...”

-Takhmina

Shortly after taking part in the Accounting Olympiad organized by PwC in the spring, **Zhaksat Bassen** received an offer for a one-month internship in the audit and assurance department of the company. “The internship was a great opportunity for me to delve into the firm’s operations. I assisted my coworkers in preparing audit reports, and performed some accounting and audit procedures using special software programs. At the end of the month, I was offered a long-term internship with PwC which starts in January 2018,”.

Encouraged by her positive internship experience with Deloitte in her native Tajikistan in summer 2016 through the U.S.-CAEF Regional Internship Program, the following summer, **Osiya Olimnazar** decided to intern at Crowe Horwath ACG, an international accounting firm. The internship became the gateway to a real job opportunity with the company.



SEVARA TADZHIBAeva (2ND LEFT) WITH AMBASSADOR SHEILA GWALTNEY

Despite the fact that first-year students are often viewed by employers as candidates possessing less knowledge and limited skills, several U.S.-CAEF freshmen secured meaningful summer internships. **Nazira Kholturaeva** had her first internship in the accounting department of Eskhata Bank in her hometown Kanibadam. The internship encouraged her to gain more experience and led to a part-time job in the KIMEP President’s Office. After passing a highly competitive selection process, **Sevara Tadzhibaeva** was offered an internship with the Public Affairs Section of the U.S. Embassy in Bishkek. “... my resourcefulness, creativity and effective communication skills helped me successfully complete all tasks. Eventually, I was assigned to organize events that Madam Ambassador attended. At the end of my internship, I was offered the position of a part-time assistant. I accepted this offer, and now I am assisting the Embassy staff, and developing new skills.” Another AUCA freshman, **Sezim Zhenishbekova**, had the chance to intern at two companies- Highland Capital, a business consulting firm, and Burger House- over the summer. “These experiences helped me realize that all the analytical, research and presentation skills that I learned at the AUCA Case Club were relevant and useful when working on practical, real-world assignments,” shared Sezim.



OSIYA OLIMNAZAR

“...RESEARCH &  
PRESENTATION SKILLS  
THAT I LEARNED AT THE  
AUCA CASE CLUB WERE  
RELEVANT & USEFUL  
WHEN WORKING ON  
PRACTICAL, REAL-WORLD  
ASSIGNMENTS.”

-Sezim

## Global Experience

Fellows also recognize the need to bring a global perspective to the economy of the Central Asian region. Therefore, they use every opportunity to enrich their knowledge and experience through participation in various international events and programs.



SHAHLO JONMAMADOVA

Two U.S.-CAEF Fellows from different partner universities, KIMEP sophomore **Nigora Burhonova** of Tajikistan and AUCA freshman **Uulzhan Aitnazarova** of Kyrgyzstan, took part in the Study of the U.S. Institutes (SUSI) for Student Leaders Program on Women's Leadership in the summer of 2017 which became a life-changing experience for both Fellows. "We gained a lot of new knowledge on how to be a good leader in your community, no matter what your background is," commented Nigora about the main takeaway from the conference.

On November 20-22, 2016, **Shahlo Jonmamadova** participated in the 42nd International Business Today Conference organized by Princeton University students. The event brought together participants from 70 universities from 35 countries, and Shahlo was the only one representing the Central Asian region. During the same month, **Karimkhon Bukhadurov** took part in the 5th Annual Alternative Investments Summit: Outlook and Opportunities in the Energy and Credit Market. "The summit was very helpful for me as it indicated the status quo of the energy market, its potential and the shift of investments towards alternative energy in the global market. Moreover, the summit helped me understand the challenges Kazakhstan has been facing due to the oil price drop, but more importantly, what Kazakhstan can potentially do to increase its presence in the oil and gas market and maintain sustainable profitability," stated Karimkhon.



UULZHAN AITNAZAROVA AND NIGORA BURHONOVA AT LEADERSHIP CONFERENCE IN THE US



As a member of the organizational committee of the 13th International Risk Management Conference sponsored by Eurasia Insurance Company, **Zulfiya Urunova** acquired valuable experience in handling large-scale events, gained insight into the insurance industry, learned a great deal about risk management, and expanded her international professional network.

Many U.S.-CAEF Fellows regard study abroad as a critical component of their higher education experience. Therefore, it is no surprise that the number of students interested in exchange programs is consistently large. In AY 2016-17, 23 U.S.-CAEF Fellows were selected to participate in international exchange programs in Austria, Bulgaria, Croatia, the Czech Republic, France, Latvia, the Netherlands, Norway, Poland, South Korea, Singapore, Sweden, Turkey and the USA.





For **Zhibek Kamalbek kyzy**, the exchange program at Sol-Bridge International Business School was an opportunity to gain insight into the business life in South Korea. “I learned a great deal about finance through practical activities such as playing simulations, site visits to the Korean Stock Exchange and other companies, and learning from business experts,” described her experience Zhibek.



**Aleksandr Kinyakin** (1st left), who spent his spring 2017 semester at Juniata College in the USA, was highly impressed by the informal, yet stimulating atmosphere in the American classroom. “What strikes me most is the American mentality, constant readiness for classes, openness for discussion and sharing opinions. The whole class turns into a huge debate with a professor,” shared Aleksandr.

## FELLOWS FARE WELL IN BUSINESS COMPETITIONS

### Rising to the Challenge

Every year, U.S.-CAEF Fellows take part in challenging business competitions to test their knowledge and skills; as in past years, our current Fellows fared well against their peers, garnering numerous prizes.



CFA INSTITUTE RESEARCH CHALLENGE

On March 11, 2017, five KIMEP students, including U.S.-CAEF Fellows **Jamshedi Umarzoda** (left) and **Zarrinakhon Mulloboeva** (right), became winners of the CFA Institute Research Challenge among eight universities in Almaty. The event, which is part of a global competition, was hosted by the Kazakhstan Society of Investment Professionals. The winners traveled to Prague, Czech Republic to represent Kazakhstan at the regional competition on April 26-27, 2017, where they competed against university teams from Europe, the Middle East and Africa. “The CFA Institute Research Challenge expanded my understanding of the equity market. I believe that participation in the competition will serve as a fundamental driver in reaching my goal of establishing an investment firm in the future,” shared **Jamshedi Umarzoda**.



CIMA BUSINESS CHALLENGE

On April 29, the Genesis team comprising four U.S.-CAEF Fellows — **Alisher Murtazaev**, **Zulfiya Urunova**, **Kamila Bekbaganbetova**, and **Jahongir Rahimov** - won the CIMA Business Challenge Kazakhstan, a case championship organized by the Astana International Finance Center. In addition to the prizes from the CIMA representatives, the Fellows received admissions to training events provided by the leading international companies in Kazakhstan such as Mars, EY Academy of Business, PwC Academy, and Astana International Finance Center.

## Community Outreach

During the 2016-17 academic year, Enterprise Student Fellows were involved in a wide range of initiatives that helped them make a difference in their communities while developing skills to become socially responsible business leaders. Fellows organized charitable events and fundraising activities for local orphanages and disabled people, took part in multiple business development projects, provided consultations to local startups, implemented several environmental and health awareness projects, and helped organize important conferences, meetings, and exhibitions. We would like to offer just a few examples of our Fellows' involvement in projects that benefit society.



ASEL KALDYBAEVA

**Rakhat Kubanychbekova** and **Asel Kaldybaeva** initiated and implemented a 4-month leadership program "Empower Youth" for 16 high school students in Teploklyuchenka village, Issyk Kul. The project helped the teenagers boost their confidence and self-esteem and build new skills through engaging them in educational programs, team-building activities, sports, volunteering and charitable projects.

**Meerim Zhanybek kyzy** won a Global Youth Service Day grant to conduct a social project for middle and high school students in Kochkor-Ata on April 24-27. The goal of the project was to teach youth to set goals and motivate them to become active leaders in their communities.



MEERIM ZHANYBEK KYZY (LEFT) IN KOCHKOR-ATA



## TECHMOTHERS



SAIRA DUISHONBEKOVA TEACHING ENGLISH IN AT-BASHY

On June 15, 2017, **Saira Duishonbekova** together with her AUCA friend opened an English club in her native village At-Bashy. The club became immediately popular not only among schoolchildren but 30-40-year-old adults as well.



U.S.-CAEF FELLOWS SERVING DISABLED KIDS IN BISHKEK

**Shaislam Shabiev** together with U.S.-CAEF Fellows **Uuljan Aitnazarova** and **Atai Amanatov** created a project aimed at breaking down the barriers between healthy children and kids with Down syndrome through playing chess.



OLGA PYKHOVA INTRODUCES CHEERLEADING IN KYRGYZSTAN

**Olga Pykhova** participated in a social project organized by the Kyrgyzstan Federation of Cheerleading in January 2017. The main idea of the project was to introduce and popularize cheerleading in the Bishkek community. Olga led workshops for coaches and two master-classes for 97 children from three dance studios in Bishkek. On April 30, Olga helped organize the first International Cheerleading Championship in the Kyrgyz Republic. In addition, Olga won a grant for a project called "I love Cheerleading" involving 250 children from two orphanages and ten schools in Bishkek.



FELLOWS WITH PROUD TECHMOTHERS

On July 24-August 11, **Zhibek Kamalbek kyzy**, **Sezim Zhenishbekova** and **Atai Amanatov** organized a social project "TechMothers" to teach basic computer skills to 35 women from Naryn and Jalal-Abad, the economically disadvantaged areas where digital resources are limited. The project intended to enhance workplace productivity for employed women and to improve employment prospects for unemployed participants.

In just a few weeks, the participants acquired basic skills in Microsoft Word, Excel and PowerPoint programs, learned to use Internet searching tools and social media, and created their Gmail and Facebook accounts which they have been actively using since. After the workshop, the project alumni organized the Women's Association in Naryn. The group meets regularly to share their thoughts, knowledge and experiences. Encouraged by the impact of the project, the Fellows decided to organize follow-up trainings with these mothers and teach them more advanced techniques and programs next summer.

“THE IDEA OF THE PROJECT CAME TO ME WHEN I WAS WITH MY OWN MOM, WHO IS A PHARMACIST AND COULDN'T USE COMPUTER AT ALL. WITH THE HELP OF A COMPUTER SOFTWARE PROGRAM, HER JOB BECAME MUCH EASIER,”

-shared **Zhibek Kamalbek kyzy**  
who initiated the project.





NILUFAR UMAROVA



AIZHAN KERIMBEK KYZY AND MEERIM MOLDALIEVA (1ST AND 2ND FROM RIGHT)



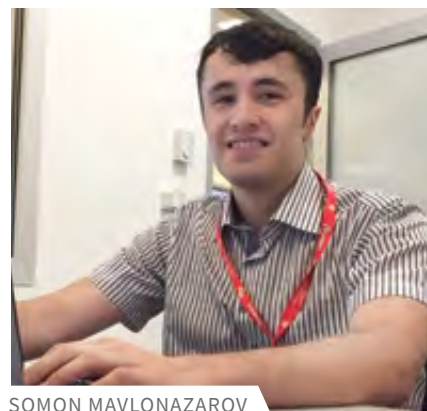
BEGIMAI BOLOTBEKOVA



DANIYAR ABDIEV



AHRORKHON IKROMOV (LEFT) AT HYATT REGENCY BISHKEK



SOMON MAVLONAZAROV

## Regional Summer Internship Program

The Foundation's Regional Internship program offers Fellows the opportunity to take the first steps on their career paths. The program continues to draw a significant number of Fellows despite the wide range of competing employment and educational opportunities available in the summer months. The program allows Interns to explore their professional interests and examine new career paths, learn practical work skills, expand their knowledge, and gain first-hand experience in professional work-place settings.



This year, a total of **ten sophomores** were selected to participate in summer regional internships. The quotations below, excerpted from students' reports, reflect Fellows' thoughts about their internship experiences in Bishkek and Dushanbe:

### Somon Mavlonazarov

#### SCHIEVER TAJIKISTAN

"My internship has exceeded my expectations. I thought that I would get some simple tasks and stay quietly at my desk. On the contrary, I was actively involved in the store's procedures. I felt being placed "in the eye of a tornado" -- although I was in the center of the main actions, I remained in a safe zone because of the strong support I received from my colleagues, especially, from **Umedjon Kurbonali**, a U.S.-CAEF alumnus."

### Meerim Moldaliev

#### COCA-COLA BISHKEK BOTTLERS

"The internship was an opportunity to test myself in the HR and marketing spheres. It helped me realize how much I enjoy working with people. Upon completion of my internship, I realized that I need to have some experience in the finance field as well. Only then I can choose the right specialization for me and get a clearer idea about my career path. The internship program is very useful because Fellows acquire real world experience in desired fields, grow professionally and get ahead of other students."

### Kasiet Mambetkul kyzy

#### GERMAN DEVELOPMENT COOPERATION (GIZ)

"Before the internship, I had been interested in finance only. My involvement in the Strengthening of Livelihoods through Climate Change Adaptation in Kyrgyzstan and Tajikistan Project opened new career opportunities for me and provided valuable insights into project management. It helped me understand what additional knowledge and skills in management, finance and HR I need to acquire should I decide to pursue a career in this field in the future."

The Foundation is grateful to the companies in Kazakhstan, the Kyrgyz Republic and Tajikistan that have hosted **103 Enterprise Regional Interns** since the inception of this program in 2009. These companies include:

ADM Capital	Eurasian Bank	Ministry of Finance of Kyrgyz Republic
Alpha Telecom	FINCA Microfinance Bank Limited	National Leasing Company
Ardamina Textile Company	Flamingo Park	Polygon International, Ltd
Arlan Finance LLC	Foreign Investors Association	Project Hope
Asia Universal Bank	Garant, LLC	Promotank
Bai Tushum & Partners Microfinance Bank	GIZ	RCG Investment Fund
Beeline	HSBC Bank	RSM Tajikistan
Beyond Investment Group	Hyatt Regency	Save the Children International
Business Clinic of Central Asia	Inspire Consulting	Sberbank of Russia
CAI Consulting	International Business Council	Shoro Company
Capital Bank Kazakhstan	JYSK Tajikistan	SK Leasing JSC
Center for Educational Assessment	Karakol Coffee Shop	State Sector for Human Resources Management
Channel 7	KazInvest	Talas Copper Gold, LLC
Coca Cola	KazNetEvents	Teaching Methods
Crow Horwath ACG Tajikistan	Kyrgyz Concept	The Farm
Deloitte & Touche Tajikistan	Kyrgyz Credit Investment Bank	The U.S. Embassy in Bishkek
Demir Kyrgyz International Bank	Manas International Airport	The United Nations
DiningSmart	MegaCom	Zheti Ata

## Enterprise International Capstone Internship Program

The U.S.-CAEF Enterprise International Capstone Internship Program is administered by American Councils in partnership with The Washington Center, TWC ([www.twc.edu](http://www.twc.edu)). Conducted in Washington, D.C., the program is designed to help postgraduate Fellows decide a career direction and acquire the skills and experience needed to succeed.



CAPSTONE INTERNS 2017

Two groups of outstanding U.S.-CAEF Fellows participated in the U.S. Enterprise International Capstone Internship Program during the period of this report.

The 2016 Capstone Fellows - **Anisa Atalova, Aiida Bagytzhanova, Yuliya Davydenko, Chynara Erkulova, Adel Sultanbekova, Makhabat Tashbaltaeva, Tynystan Talantov** and **Nazerke Zarlykhanova** - successfully completed their fall semester program. The program helped them gain valuable workplace skills, explore career options, and build international professional networks. "When I think of Capstone Internship, I cannot think of a single component. This was a multifaceted experience comprised of professional development sessions, internship, traveling, networking and relationship building. I have been imbued with the desire to accomplish meaningful things in my life, and not to wait for changes, but to be the change you want to see in the world as Mahatma Gandhi wrote. This experience was profound in building strong discipline and commitment towards my goals. Now I can see my career path more clearly. I am thankful to this program for this accelerated learning track that is difficult to experience anywhere else," wrote Nazerke Zarlykhanova who is currently a Yenching scholar in the Master's in Chinese Studies in Economics and Business program at the Peking University, Beijing, China. Six outstanding U.S.-CAEF Fellows – three per partner institution— are currently taking



SHAHNOZ JONMAMADOVA





KUTTUBEK RAKHMANBERDIEV



ZHAMILIA KLYCHEVA



JAMSHEDI UMARZODA



CAPSTONE ORIENTATION AT AMERICAN COUNCILS IN WASHINGTON, DC

part in the 2017 U.S. International Capstone Internship Program, which began on August 22: **Shahnoz Jonmamadova, Zhamilia Klycheva, Zarrinakhon Mulloboeva, Samatbek Osmonov, Kuttubek Rakhmanberdiev** and **Jamshedi Umarzoda**.

In keeping with their interests and skills, the Fellows were placed in internships at Global Financial Integrity, Manchester Trade, STEMConnector, The Collective Good and the 1776 Business Incubator. The interns were excited to embark on this experiential learning program.

“THIS WAS  
A MULTIFACETED  
EXPERIENCE COMPRISED  
OF PROFESSIONAL  
DEVELOPMENT SESSIONS,  
INTERNSHIP, TRAVELING,  
NETWORKING &  
RELATIONSHIP  
BUILDING.”

-Nazerke Zarlykhanova

**Jamshedi Umarzoda** has been impressed by the dynamic work environment at 1776: “The 1776 office is home for many startup businesses. The design of the office is flexible — people can choose any place to sit. When you enter the office, you notice how people are engaged in discussions, which I find motivating and energizing. The entrepreneurs are very open here- you can approach them anytime and ask for advice or discuss different business-related issues. This structure of 1776 helps me in many ways to meet smart and experienced people... During the third week of my Internship, the DC Startup Week was held at 1776 where I met many interesting businessmen. Communicating with entrepreneurs gives me an extensive experience and knowledge about the business models and business environment in the U.S. market.”



CAPSTONE INTERNS AT THE WORLD BANK

In addition to the internship program, TWC offers a series of professional workshops that focus on career growth and soft skills. Interns also receive four 30-minute sessions of professional coaching that help them develop important professional competencies, explore specific career paths, and develop strategies to succeed in their fields. “Besides the internship, we have Global Competencies classes at TWC every Friday. We discuss problems that we might face at our workplaces and ways to effectively handle them,” shared **Shahnoz Jonmamadova**.

Capstone Interns highly value the rich educational opportunities afforded by Washington, D.C.’s wide range of national and international policy centers, think-tanks, non-profits, media organizations, and cultural institutions. Among a wide range of enrichment activities this year, our interns attended guest speaker series and meetings at Brookings Institution, Johns Hopkins University, The George Washington University, Embassies of Kazakhstan and the Kyrgyz Republic, the World Bank Group, the Center for Strategic and International Studies (CSIS), Japan International Cooperation Agency Research Institute (JICA-RI), the U.S - Kyrgyzstan Business

Council, the Nigerian Embassy, the CATO Institute and 1776. These events provided interns with the opportunity to build their international and professional networks and to interact with experts and leaders from a wide range of professional fields. “Since the start of the internship, just in one month, I have attended eight events and learned a great deal about the North American Free Trade Agreement (NAFTA,) the U.S. foreign trade policy, and relations with African countries, Pakistan and China, listened to the U.S. Senators’ speeches, and attended various panel discussions. Although the topics discussed at these events are new to me, I find them quite interesting and stimulating,” wrote **Zhamilia Klycheva** who interns with Manchester Trade.

In addition to the vocational and educational components of their internships, Fellows have many valuable opportunities to meet peers from the U.S. and other countries. TWC also arranges an International Festival, during which interns present their home-country cultures and learn about those of their peers. This year, our interns once again proudly represented their region at the festival.



INTERNATIONAL DAY AT THE WASHINGTON CENTER



## Enterprise Alumni

Although the U.S.-CAEF Alumni community is relatively young, within a short time our Fellows have shown their commitment to contributing to the vibrant economic development of Central Asia. There are now **200 U.S.-CAEF alumni**, about 96% of whom have remained in the Central Asia region. 54% of alumni are currently working for international companies, while 32% work for local companies, 14% have created their own startups, and 1% work in the government sector. Of the alumni, 22 hold post-graduate degrees and 19 are currently enrolled in post-graduate programs.

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CREATED THEIR  
OWN STARTUPS

**1%**

WORK IN  
THE GOVERNMENT

## NEW LEADERSHIP TEAM ►

During the reporting period, the second Alumni Council (Council) passed its duties onto a new team. Over the past two years, the members of the outgoing team led by President **Yelena Vorobey** refined the Alumni Association's strategic plan and significantly increased its activities, engaging alumni and current Fellows in a wide range of activities to promote the U.S.-CAEF mission.

The Association's new leadership team represents both AUCA and KIMEP Universities, and four Central Asian Republics



**Anisa Atalova**  
PRESIDENT  
FOUNDER & CEO,  
LET'S MAKEUP,  
KYRGYZ REPUBLIC



**Adel Sultanbekova**  
TREASURER  
HEAD OF BUSINESS DEVELOPMENT,  
HIGHLAND CAPITAL,  
KYRGYZ REPUBLIC



**Chyngyz Zhanybekov**  
VICE PRESIDENT FOR OUTREACH  
PROGRAM MANAGER,  
ORION CONSTRUCTION,  
KYRGYZ REPUBLIC



**Aiida Bagytzhanova**  
VICE PRESIDENT  
FOR OUTREACH  
EXECUTIVE ASSISTANT TO THE  
PRESIDENT, KIMEP UNIVERSITY,  
KAZAKHSTAN



**Aizharkyn Burkanova**  
VICE PRESIDENT FOR  
PROFESSIONAL DEVELOPMENT  
SENIOR PROJECT MANAGER,  
BEELINE, KYRGYZ REPUBLIC



**Batima Myrzabekova**  
VICE PRESIDENT FOR  
PROFESSIONAL DEVELOPMENT  
PROGRAM ASSISTANT,  
AMERICAN COUNCILS, KAZAKHSTAN



**Aziza Akilova**  
VICE PRESIDENT FOR  
REGIONAL NETWORKS  
INTERNAL AUDITOR,  
SHIEVER, TAJIKISTAN



**Ayna Annaorazova**  
VICE PRESIDENT FOR  
REGIONAL NETWORKS  
HEAD OF FINANCIAL DEPARTMENT,  
ES DIYARCOM, TURKMENISTAN



**Irina Abasova**  
PROFESSIONAL ADVISOR  
FOUNDER AND CEO, CREATE3D,  
KAZAKHSTAN

## Alumni Milestones 2017

The new alumni officers continued arranging networking and professional development events to benefit both alumni and current Student Fellows. Among the leadership team's major events were:



ALUMNI ADEL SULTANBEKOVA, NASIBA NURMATOVA AND CHYNARA ERKULOVA



ALUMNI REUNION IN ALMATY

### KIMEP Alumni Reunion in Almaty

Overall, 25 alumni attended this event on November 3rd, which was hosted at Uncle Sam Pub in Almaty. The event started with opening remarks of American Councils Regional Director Jessica Leonard and U.S. Consulate Public Affairs Officer Don Kilburg. Entrepreneurs Louis Albertini and Sergey Sek shared their experiences about their recent startups, and provided the alumni with business advice.

### Strengths Quest Training

Strengths Quest training proposed by former alumni officer **Karina Kussainova** in 2015, has become the most successful professional development event. Originally set for the AUCA graduating Fellows only, now the training is provided to the U.S.-CAEF students of all cohorts in Bishkek. On October 26, 2016, the first Strengths Quest training was organized for KIMEP Student Fellows, and once again, the workshop proved to be a great success among our Fellows, this time in Almaty. The training is conducted by Inspire Consulting, a Bishkek-based consulting firm that provides coaching and leadership training for businesses and organizations.



STRENGTHS QUEST TRAINING IN ALMATY



### Performance Management and Creative Thinking Training

With 17 Alumni and Fellows in attendance, this event was organized by Alumni Association Treasurer **Adel Sultanbekova** and featured a presentation by Edward Doherty, a business expert from the U.S. who has over 25 years of consulting experience and is currently working on a project funded by USAID.

### Resume Writing Workshop in Almaty

Former Alumni Association President **Yelena Vorobey** organized an online workshop for KIMEP seniors to provide resume writing advice. Yelena followed up by giving detailed, personalized tips to the Fellows who attended the workshop.





U.S.-CAEF ALUMNI ASSOCIATION  
THROWS SECOND ANNUAL

## Black Tie Event



Of the many events that the U.S.-CAEF Alumni Association organized this year, the most popular was by far their second annual “Black Tie Event”. Planning for the event began early in the summer, and was carried out by four Alumni Council members and three current U.S.-CAEF Fellows. Alumni Association Treasurer **Adel Sultanbekova** and VP for Regional Outreach **Chyn-gyz Zhanybekov** led the organizing efforts.

Described by Alumni Council members as “the most awaited event of the year for both U.S.-CAEF alumni and Fellows,” the event took place on November 11th and was held at Vuala restaurant in Bishkek. Due to the growing network of U.S.-CAEF Alumni and Fellows, the planning committee was able to bring several influential speakers to the event. The list of speakers included Talant Sultanov and Gulnura Toralieva, advisers to the Prime Minister of the Kyrgyz Republic; Cholponbek Zhumashukurov, CEO of Highland Capitals investment firm and Harvard Business School alum; Nazira Beishenalieva, Chairman of the Bank of Asia and Harvard Business School alum; and Aida Sulova, CEO of the first art center in Kyrgyzstan, Asanbay Center. Each speaker was asked to make a short presentation within the prompt “What is success for me?” and shared valuable personal and professional advice to the U.S.-CAEF alumni and Fellows. Those in attendance at the event agreed that the highlight was hearing from the speakers and having an opportunity to network with professionals that they would not have otherwise met.

Following the banquet, **Meerim Zhanybek Kyzy**, President of the Youth for Social Entrepreneurship Project (YSEP), created by U.S.-CAEF alumna **Karina Kussainova** in May 2016, spoke about various projects that the club had planned and would be implementing in 2018. Later, attendees participated in games, raffles, and dances and enjoyed being able to bond with and create a further sense of community among other U.S.-CAEF alumni and Fellows. Alumni Association members are delighted with the success of 2017’s Black Tie Event and hope to continue the tradition for years to come.





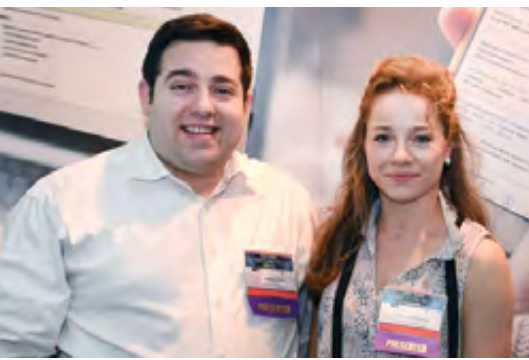
## STARTUP SUCCESS

**Nargiza Chaikozova** (AUCA, class of 2011) along with her husband Erulan Chekirov, founded the consulting company Chekiroff Consult in Moscow, Russia in 2016. Though the company is young, it has already provided accounting services to more than 30 companies in Moscow, including some businesses created by Kyrgyz entrepreneurs, and was recently named “Best Startup of the Year” in Delovaya Auditoria magazine. The pair plans to launch a mobile application to simplify communication between accountants and businessmen, which they hope will assure accuracy and speed up their services. “With the help of this mobile application, clients can set tasks without wasting time on phone calls,” said Nargiza in an interview. The company hopes to expand to other parts of Russia and Kyrgyzstan, and to eventually employ up to 100 people.



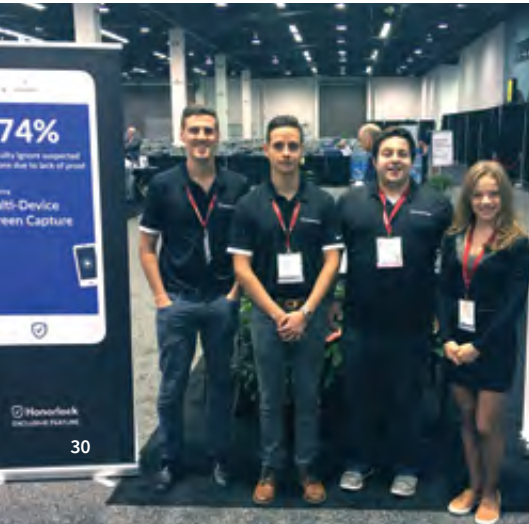
## REVOLUTIONIZING HEALTHCARE

**Ulukbek Abdubaliev** (AUCA, class of 2015) recently accepted an award for a project that won the Smart Civic competition, a contest hosted by the nonprofit, The Common Good. Currently working to complete his master’s degree, he was participating in an exchange semester in Milan, Italy when he and his team won the competition out of over 100 entries. The winning project was a chip-embedded, cloud-based health card meant to give doctors and patients quick access to all health and prescription information. Since Milan’s medical records are primarily paper-based, the “MI-Care cards” would benefit health research and potentially revolutionize healthcare in Italy. Ulukbek and his team met with a possible partner in Washington, D.C. to discuss producing the cards, and they hope to begin implementation in the spring of 2018. “The whole experience helped me a lot in terms of who I am now and what I achieve. That’s one of the things I’m thankful for, and I think U.S.-CAEF made me the person I am now,” said Ulukbek.



## PROMOTING ACADEMIC INTEGRITY

**Elena Soboleva** (AUCA, class of 2011), an MBA student at Florida Atlantic University, formed Honorlock LLC with Fellow student Adam Roth, to prevent academic cheating. After noticing that students were finding their test answers online prior to taking an exam, they developed a solution to the problem which includes a tool that sends a copyright notice to websites with illicit test content, a patent-pending technology that identifies students who try to access blacklisted URLs, and notifications to instructors of suspicious behavior. Since the duo created Honorlock LLC in 2014, they have received over \$700,000 from local investors, applied for several patents, and expanded their team to 12 employees. They anticipate earning over \$1 million in revenue by the end of the year. Schools are using the team’s proctoring solutions across the U.S. and abroad, and they have received positive recognition from some of the world’s leading publishers, such as Pearson and McGraw-Hill Education. “Online proctoring has historically been a not-so-pleasant experience for students. We thought we could do a better job of not only ensuring academic integrity but make the software and improve the overall process for students and faculty,” said Adam Roth.





## PURSUING ENTREPRENEURIAL DREAMS

**Moldir Kussainova** (KIMEP, class of 2012) recently took a gap year from her job at Beiersdorf in order to pursue her passion of being an entrepreneur. At Beiersdorf, she served as a Shopper & Customer Marketing Manager, and pioneered the first category management project in Kazakhstan and Georgia with international retail chains Ramstor and Carrefour. The project, called “Path to Purchase,” won an award for Best Practice in Hamburg, Germany, and helped Beiersdorf increase their sales by 300% in Central Asia. During her gap year, Moldir used her savvy business skills and the help of a factory in China to develop a unique, environmentally friendly product meant to hold GPS devices and other products in cars. It features a clever design to ensure that items placed on it do not fall off while the car is moving. Moldir quickly and strategically developed the brand, and was able to sell the product in America through Amazon.com. The product has become a 5-star product on Amazon, and has received numerous positive reviews. In December 2017, Moldir successfully launched her start-up Foxout sponsored by Idea Wave Labs, a Singapore-based IT company. Foxout serves as a ticketing platform for various events.



## ADVANCING THE LOGISTICS INDUSTRY

**Temur Utegenov** (KIMEP, class of 2014), along with his brother, founded an individual entrepreneurship logistics firm in Almaty which provides delivery services of goods within CIS countries. The company’s revenue was over \$30,200 in 2016 and over \$74,000 in 2017. The company has steadily increased its number of clients, and has successfully arranged and delivered over 800 shipments in Kazakhstan and Russia in 2017 alone. In addition to growing their business, Temur and his brother have developed a social networking group for hundreds of logistics industry representatives. The group serves as a platform to share feedback on transportation firms and clients and reveal which companies are reliable and which ones are unreliable or fraudulent. As part of this initiative, they created an in-house database used by 20,000 logistics professionals in Kazakhstan, and helped a leading logistics website ([www.fa-fa.kz](http://www.fa-fa.kz)) to build an interactive feedback database. Temur attributes much of his company’s success to this project, and hopes the business will continue to grow in the coming year.



“U.S.-CAEF INFLUENCED NOT ONLY THE LIVES OF HUNDREDS OF STUDENTS, BUT THOUSANDS OF OTHER PEOPLE – FELLOWS’ FAMILIES, FRIENDS AND COLLEAGUES. WE SHOULD NOT FORGET THAT ALL FELLOWS THROUGH THEIR ACTIONS HAVE ALREADY POSITIVELY AFFECTED THE LIVES OF MANY OTHER PEOPLE. THE INFLUENCE OF THE PROGRAM CAN BE COMPARED TO A CHAIN REACTION. AN OPPORTUNITY, ONCE GRANTED TO ONE STUDENT, SUBSEQUENTLY ACTIVATES THE PROCESS WITH A MULTIPLE EFFECT AND HELPS OPEN PROSPECTS FOR MORE PEOPLE THROUGH VAST NETWORKS.”

-Arystan Moldabekov, Chief Accountant, Capital Bank Kazakhstan



## 2017 Steven F. Shea Awards for Alumni

A total of **six** U.S.-CAEF Alumni, **three from AUCA** and **three from KIMEP**, were honored this year with the Steven F. Shea Excellence Award for their significant professional achievements, service to the community, and active commitment to the economic development of Central Asia. From among the Alumni, one individual from AUCA and one from KIMEP, were selected to receive the top honor of \$1,000 and a plaque of recognition. In addition, four honorable mention candidates, two from each university, were also selected to receive a certificate of recognition and a monetary grant of U.S. \$250.

Mary Ginsberg announced the Alumni awards for former AUCA Fellows at the U.S.-CAEF reception for graduating Fellows in Almaty on May 20, 2017; Stephen D. Weinroth announced the Alumni awards for former KIMEP University Fellows during the U.S.-CAEF graduation reception in Bishkek on June 4, 2017.

“OPPORTUNITY. IT CHANGES LIVES, OPENING DOORS TO A BETTER FUTURE WE NEVER IMAGINED. U.S.-CAEF WAS THE OPPORTUNITY THAT TRIGGERED MY PERSONAL AND PROFESSIONAL GROWTH FROM AN ASPIRING STUDENT TO A PROFESSIONAL CONTRIBUTING TO THE INCREASE OF TRANSPARENCY IN THE FINANCIAL SYSTEM OF KYRGYZSTAN. THE PROGRAM HELPED ME SHAPE MY VALUES, INCLUDING SERVING SOCIETY WITH INTEGRITY.”

-Tangulu Diushakhmatova, Audit Supervisor, KPMG, Bishkek





**KHURSHEDMO JONMAMADOVA**

AUCA CLASS OF 2013  
FOUNDER & CEO, MASITA LLC  
SUPPLY SUPERVISOR, DOCTOR'S WITHOUT BORDERS

Upon her graduation from AUCA in 2013, Khurshedmo opened a bakery in her native Khorog called “Izyum” which was later renamed to Masita LLC. With support from several foundation grants, Khurshedmo was able to expand her business to include nine employees. Masita is now the first private bakery in Khorog, providing a wide variety of freshly baked products. Masita also provides baked goods to the organizers of the annual cultural festival, ‘Roof of the World,’ and donates clothes and toys to local orphanages. Khurshedmo believes that these activities help cultivate social responsibility among her employees.

Impressively, Khurshedmo is now able to successfully manage her business remotely from Dushanbe where she currently works at Doctors without Borders (MSF-Holland) as supply supervisor for the Dushanbe Tuberculosis Project.



**YULIYA BALIYEVA**

KIMEP CLASS OF 2013  
FOUNDER & GENERAL DIRECTOR, EURO CONNECTION

As a mother of two children struggling to find adequate pediatric care, Yuliya felt a great need for quality medical services in Kazakhstan. This realization prompted her to carry out market research, which identified major problems in the healthcare system and inspired her to create Euro Connection in 2015, a clinical laboratory for the detection, diagnosis and treatment of disease.

As General Director of the company that she created two years ago, Yuliya now manages institutional relations as well as the accounting, marketing, and legal departments. She plans to open two more offices and eventually expand her business to the treatment sector.

Yuliya's company has developed a rewards program for loyal customers. It supports charitable giving by organizing free dinners for people in need during holidays, and it provides 50% discounts to veterans, pensioners and patients with HIV and diabetes.

“GROWING UP IN A LESS PRIVILEGED COMMUNITY HELPED ME REALIZE THE IMPORTANCE OF EDUCATION. THIS SCHOLARSHIP ALLOWS ME TO FOCUS ON MY STUDIES. INSPIRED BY THE GENEROSITY OF THE PROGRAM, I AM MOTIVATED TO PASS THIS KINDNESS TO OTHERS. THUS, THROUGHOUT MY FRESHMAN YEAR, I IMPLEMENTED SEVERAL SOCIAL PROJECTS, AND VOLUNTEERED IN MY COMMUNITY, WHICH HELPED ME REALIZE THAT HELPING PEOPLE IS A JOY. I HOPE SOMEDAY I WILL BECOME A SUCCESSFUL BUSINESSWOMAN, AND WILL BE ABLE TO HELP LESS-FORTUNATE AND UNDER-REPRESENTED PEOPLE.”

-Sezim Zhenisbekova, AUCA sophomore



### AZIZ YULDASHEV

KIMEP CLASS OF 2011  
EXECUTIVE ASSISTANT TO THE GENERAL DIRECTOR, COCA-COLA  
BOTTLERS UZBEKISTAN

Aziz started his career as an administrator for a joint sewage systems improvement project funded by the Islamic Development Bank and Tashkent Municipality in 2012. In November 2013, Aziz joined Coca-Cola Bottlers Uzbekistan Ltd as an import contracts administrator. In June 2014, Aziz was promoted to Executive Assistant to the General Director of the company.

In 2016, Aziz became Public Affairs Coordinator. In this role, he was actively engaged in the joint Coca-Cola and UNDP water project in Uzbekistan. Aziz was also in charge of the sponsorship agreement between Coca Cola and the National Olympic Committee. In addition, Aziz has initiated a tour program for university students, which allows Uzbek youth to learn first-hand about the work of the company and employment opportunities with Coca-Cola.

Aziz is one of the founders of the U.S.-CAEF Alumni Association. In 2012-14, he served as Vice-President for Membership and Outreach.



### IZAT OSMONOV

AUCA CLASS OF 2013  
INTERNAL AUDITOR, FINCA  
ENTREPRENEUR

As FINCA's internal auditor, Izat conducts risk-oriented audits of corporate procedures aimed at increasing the efficiency of companies' performances. Apart from his employment with FINCA, Izat is involved in the development of two start-ups: one related to an online ticketing system, and the second – to the supply of imported materials for local confectionaries. In addition, last summer, Izat volunteered to be part of the organizing committee for a 4-day international conference called "Better Understanding for a Better World" (BUBW), held for the first time in Bishkek. One hundred participants from all over the world attended BUBW to discuss such vital topics as sectarian tensions, civic engagement, and the danger of extremism and radicalism. Izat played a major role in the success of the conference.

Throughout these years after his graduation from AUCA, Izat has been actively involved in the U.S.-CAEF alumni events and provided support to our alumni.





**IGNATII KIM**

AUCA CLASS OF 2014  
CO-FOUNDER & MANAGING DIRECTOR  
EXCHANGE STUDIO

Ignat started his professional career as a Specialist for the Monitoring and Analysis Unit at Manas International Airport in May 2014. In less than a year, he was promoted to Financial Director of the same department. Despite this success, Ignat decided to pursue his entrepreneurial dreams and left Manas in summer 2016 to co-found an educational center, Exchange Studio, in Bishkek, Kyrgyz Republic. Currently, the center has three full-time and three part-time employees, and about 40 students. Exchange Studio provides not only a wide range of educational programs, it also helps local youth develop their potential and important qualities that will enable them face life's challenges and achieve success. Ignat also continues to support the Unity Fund, an AUCA charitable organization that he co-founded in 2010 in response to the tragic events caused by ethnic clashes in his native Osh.

**YERASSYL TOLEUGAZINOV**

KIMEP CLASS OF 2016  
CO-FOUNDER, KAZGOSGROUP LLP

A recent graduate of KIMEP University, Yerassyl has used his outstanding entrepreneurial skills to launch a new business venture to recruit drivers for Yandex. His company, KazGosGroup LLP recruited over 500 new drivers in just two months and has now expanded to Astana.

Despite the many challenges of managing a start-up, Yerassyl has also been highly engaged in community activities, including the Uni project, which is sponsored by the U.S. Consulate General in Almaty and provides a portable, open-air reading room for children.





## Financial Statements



SENIORS ZULFIYA URUNOVA, JAHONGIR RAHIMOV AND DASTAN AKHTAYEV



January 25, 2018

To the Board of Directors  
U.S. - Central Asia Education Foundation  
Washington, DC

We have audited the accompanying financial statements of U.S. - Central Asia Education Foundation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U.S. - Central Asia Education Foundation as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



**Certified Public Accountants**  
**Portsmouth, New Hampshire**

• SEE NOTES TO FINANCIAL STATEMENTS

		2017	2016
<b>ASSETS</b>			
	Cash and cash equivalents	\$6,232,762	\$406,280
<b>CURRENT ASSETS</b>	Accrued interest and dividends receivable	\$1,026	\$34,722
	Grant refund receivable	\$92,603	\$204,158
	Total Current Assets	\$6,326,391	\$645,160
<b>OTHER ASSETS</b>	Investments (Note 3)	-	\$6,767,748
	Total Other Assets	-	\$6,767,748
<b>TOTAL ASSETS</b>		\$6,326,391	\$7,412,908
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>	Accounts payable and accrued expenses	\$26,944	\$18,057
	Total Current Liabilities	\$26,944	\$18,057
<b>NET ASSETS</b>	Unrestricted net assets	\$6,299,447	\$7,394,851
	Total Net Assets	\$6,299,447	\$7,394,851
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		\$6,326,391	\$7,412,908



• SEE NOTES TO FINANCIAL STATEMENTS

	2017	2016
<b>REVENUES &amp; OTHER SUPPORT</b>		
<b>INVESTMENT INCOME (NOTE 3)</b>	\$104,007	\$153,568
Total Revenues and Other Support	\$104,007	\$153,568
<b>EXPENSES</b>		
<b>PROGRAM SERVICES (NOTE 1)</b>		
Enterprise Student Fellowships	\$1,267,487	\$1,257,933
Enterprise Intern Fellowships	\$255,429	\$233,750
Total program services	\$1,522,916	\$1,491,683
<b>MANAGEMENT &amp; GENERAL</b>	\$98,346	\$108,570
Total Expenses	\$1,621,262	\$1,600,253
<b>CHANGE IN UNRESTRICTED NET ASSETS BEFORE REALIZED &amp; UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>	<b>(\$1,517,255)</b>	<b>(\$1,446,685)</b>
Realized and unrealized gains (losses) on investments	\$421,851	\$373,257
<b>CHANGE IN NET ASSETS</b>	<b>(\$1,095,404)</b>	<b>(\$1,073,428)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$7,394,851</b>	<b>\$8,468,279</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$6,299,447</b>	<b>\$7,394,851</b>

• SEE NOTES TO FINANCIAL STATEMENTS

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	(\$1,095,404)	(\$1,073,428)
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Realized and unrealized (gains) losses on investments	(\$421,851)	(\$373,257)
<b>Changes in operating assets and liabilities:</b>		
Accrued interest and dividends receivable	\$33,696	\$3,519
Grant refund receivable	\$111,555	(\$73,573)
Accounts payable and accrued expenses	\$8,887	(\$3,535)
<b>Net cash provided by (used in) operating activities</b>	<b>(\$1,363,117)</b>	<b>(\$1,520,274)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(\$2,049,441)	(\$2,057,013)
Proceeds from maturities of investments	\$-	\$164,280
Proceeds from sales of investments	\$9,239,040	\$3,120,193
<b>Net cash provided by (used in) investing activities</b>	<b>\$7,189,599</b>	<b>\$1,227,460</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>\$5,826,482</b>	<b>(\$292,814)</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>\$406,280</b>	<b>\$699,094</b>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<b>\$6,232,762</b>	<b>\$406,280</b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>		
Interest expense paid	\$-	\$-
Income taxes paid (refunded)	\$(587)	\$11,322
<b>SCHEDULE OF NONCASH INVESTING &amp; FINANCING ACTIVITIES</b>		

There were no noncash investing and financing activities during 2017 and 2016.



**NOTE 1****NATURE OF ORGANIZATION**

The U.S. - Central Asia Education Foundation (the "Foundation") was incorporated in May 2007 to further the work of the Central Asian-American Enterprise Fund ("the Fund") by building upon the private-sector development assistance programs established by the Fund. The Foundation's mission is to encourage and assist development and growth of a vibrant open-market private business sector in Central Asia by: supporting the quality of - and affordable access to - Western business know-how and practices at selected institutions of higher learning in the region that have adopted Western curriculum and teaching methods; providing opportunities for vocational, educational, and cultural experiences in countries that serve as positive examples of an open-market economy operating within a democratic environment; and, promoting other activities that will generate a favorable environment in Central Asia for private business to succeed and entrepreneurial spirit to thrive.

To accomplish its mission, the Foundation is sponsoring the following three programs in the Central Asian republics of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan:

**(1) Enterprise Student Fellowships:**

a financial need-based undergraduate business education scholarship program for academically gifted students who, due to financial hardship, otherwise would not be able to pursue a university education. Scholarships are provided at selected Central Asian universities to citizen residents of the Central Asian countries of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

**(2) Enterprise Intern Fellowships:**

a program for select Enterprise Student Fellows to gain work experience within Central Asia - as well as educational, vocational and cultural experience in the United States or other countries that serve as positive examples of democratic open-market economies.

**NOTE 2****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies of the Foundation are described below:

**METHOD OF ACCOUNTING** - 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.

**BASIS OF PRESENTATION** - Financial statement presentation follows the requirements of the Financial Accounting Standards Board

in its Statement of Financial Accounting Standards, Financial Statements of Not-for-Profit Organizations. Under this standard, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** - Net assets that are subject to donor-imposed stipulations that may or will be met by actions and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently restricted net assets** - Net assets that are subject to a donor-imposed stipulation that contributed resources be maintained permanently but permits the use or expenditure of part or all of the income or other economic benefits derived from the donated assets.

**RESTRICTED & UNRESTRICTED REVENUE**

**& SUPPORT** - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**ACCOUNTING ESTIMATES & ASSUMPTIONS**

-Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues and expenses. Actual results could differ from those estimates.

**CASH & CASH EQUIVALENTS** - The Foundation considers highly liquid financial instruments purchased within three months or less of their maturity date to be cash and cash equivalents for purposes of the statement of cash flows.

**INVESTMENTS** - The Foundation's investments consist of investment-grade debt and equity securities. Investments maturing within one year or less are considered short-term investments. The Foundation's investments are carried at fair value, based

on quoted market prices. Changes in fair value are included in gains (losses) on investments in the statement of activities.

**GRANT REFUND RECEIVABLE** - Grant refund receivables are stated at the amount management expects to collect from outstanding balances of unexpended grants. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grant accounts receivable. No allowance for doubtful accounts was considered necessary at September 30, 2017 and 2016.

**GRANT EXPENDITURES** - The Foundation awards grants for specific academic periods. Grant expenditures are recognized in the year in which the academic period begins provided the grant is not subject to future contingencies. Grant payments made for academic periods beginning after year end are recorded as prepaid grant awards. There were no prepaid grant awards at September 30, 2017 and 2016.

**INCOME TAXES** - The Foundation is exempt from federal taxes under Internal Revenue Code Section 501(c)(3) and contributions to the Foundation are deductible by the donors as provided in section 170(b)(1)(A)(vi). Effective with the year ending September 30, 2015, the Foundation was classified as a private foundation. As a private foundation, the Foundation qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and is not subject to federal income taxes except for income from its unrelated business activities. Under Section 4940 of the Internal Revenue Code, a federal excise tax of 2% is normally imposed on a private foundation's net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% when a foundation meets certain distribution requirements.

The federal and Washington, DC tax returns of the Foundation are subject to examination, generally for three years after they are filed.

**DONATED SERVICES** - Donated services are recognized as contributions in accordance with Statement of Financial Accounting Standards, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. There were no services that met this criteria for the years ended September 30, 2017 and 2016.

**NOTE 3****INVESTMENTS**

Investments consist of the following at September 30,:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
<b>Equities – Mutual Funds</b>	\$ -	\$ -	\$ 3,103,767	\$ 3,601,805
<b>Fixed income – Mutual Funds</b>	\$ -	\$ -	\$ 3,142,645	\$ 3,165,943
<b>Total</b>	\$ -	\$ -	\$ 6,246,412	\$ 6,767,748

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30,:

INTEREST & DIVIDEND INCOME	2017	2016
	\$ 104,007	\$ 153,568

**NOTE 4****CONTRIBUTED SERVICES**

There were no contributed services for the years ended September 30, 2017 and 2016. Contributed accounting and management services are reflected as contributions revenue and as management and general expenses. Services donated to the Foundation's programs are reflected as contributions revenue and as program service expenses. Additionally, members of the Foundation's Board of Directors donate significant amounts of their time to the Foundation's mission. Because the services contributed by the Board members did not meet the recognition criteria, the value of these services has not been reflected in the financial statements.

**NOTE 5****CONCENTRATIONS OF CREDIT RISK AND MARKET RISK**

The Foundation maintains cash, comprised of bank deposit accounts and a money market fund account, and investment balances which are insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. At times balances may exceed insured limits. Management has evaluated this risk and considers it to be a normal business risk.

The Foundation maintains its cash and securities with a high quality financial institution which the Foundation believes limits its cash and custodial risk. As of September 30, 2017, the Foundation has not experienced any losses in such accounts.

**NOTE 6****FUNCTIONAL EXPENSES**

The expenses of providing various program and supporting services are presented on a functional basis. Accordingly, certain expenses have been allocated among the pro-

grams and supporting services benefited. Allocations may be direct or indirect according to the type of expense incurred.

**NOTE 7****COMMITMENTS**

The Foundation has entered into an administration agreement with the American Councils for International Education (ACIE) to create, administer and operate its programs. Payments for these services are paid near the beginning of certain academic periods and are determined based on program operating budgets mutually agreed upon by the Foundation's Board and the ACIE. After each academic period, the Foundation and ACIE reconcile actual expenses and fees to the operating budget and make appropriate adjustments. The administrative agreement has an initial term of three years and will automatically extend for one-year periods unless earlier terminated by either party.

The Board has approved a \$606,372 grant award for Enterprise Student Fellowships and a \$303,186 grant award for Enterprise Intern Fellowships to be paid in 2018.

**NOTE 8****ENTERPRISE STUDENT FELLOWSHIPS – FUTURE COSTS**

Under its Enterprise Student Fellowship program, during the year ended September 30, 2017, the Foundation awarded 24 new Student Fellowships and renewed 88 Student Fellowships for the 2017 academic year. During the year ended September 30, 2016, the Foundation awarded 30 Student Fellowships and renewed 94 Student Fellowships for the 2016 academic year.

Although the Foundation has the unconditional right to not renew awards, the Foundation intends and expects to renew

awards for each Fellow's entire four years of undergraduate academic study, as long as the Fellow remains in full compliance with the terms and conditions of the award. The Foundation anticipates future expenditures for Student Fellowship awards and renewals will be: \$964,768 in 2018, \$782,083 in 2019, \$542,867 in 2020 and \$265,857 in 2021. Using a discount rate of 2.0% the Foundation estimates the present value of the program cost to continue these awards for the academic years 2018 through 2021 to be approximately \$2,503,826.

**NOTE 9****SUBSEQUENT EVENTS**

Subsequent events have been evaluated by management through January 25, 2018, which is the date the financial statements were available to be issued. There were no material subsequent events at January 25, 2018 that require disclosure in the financial statements.





“U.S.-CAEF IS ABOUT CREATIVITY AND DIFFERENT APPROACHES TO TRADITIONAL PROBLEMS, WHICH CAN BE TURNED INTO OPPORTUNITIES. IF SOMEONE ASKS ME WHAT THIS PROGRAM GAVE ME, I WOULD GIVE A SIMPLE ANSWER: IT CHANGED THE WAY I THINK, AND I AM ETERNALLY GRATEFUL FOR THAT.”

-Zhamilia Klycheva, Marketing Specialist, Coca-Cola Bishkek Bottlers C.J.S.C



ALUMNI OFFICERS: ADEL SULTANBEKOVA AND ANISA ATALOVA

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SENIOR ACCOUNTANT

## AUDITORS

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CUMMINGS, LAMONT & MCNAMEE, P.A.











**U.S.-Central Asia Education Foundation**

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**American Councils for International Education**

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