

ANNUAL REPORT 2015





FROM LEFT TO RIGHT: AUCA FIELD TRIP TO KUMTOR, JAHONGIR RAHIMOV, INNA TSOI, KEMELBEK IRSALIEV, NOZIGUL AFZUNOVA & SHAHLO JONMAMADOVA



ANNUAL REPORT

2015



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OVERVIEW



Kanat
Osmonov
US-CAEP Fellow

Adylbek
Dzhapashov
US-CAEP Fellow

AUCA FELLOWS KANAT OSMONOV
& ADYLBEK DZHAPASHOV

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.

PROGRAMS

THE FOUNDATION EXECUTES ITS MISSION THROUGH THREE 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.

ENTERPRISE FACULTY FELLOWSHIPS: A program for business faculty at partner universities in Central Asia designed to further develop teaching skills, knowledge and course curricula, thereby benefiting current and future students who will be the region's business leaders.

In 2013, the Enterprise Faculty Fellowship Program culminated in the publication of *Business Education in Central Asia: Best Practices in Integrative Study and Teaching*, which compiles articles by faculty at both of our partner institutions exploring such topics as collaborative learning techniques, role playing in business classrooms, curriculum design, classroom simulation exercises, and the instructional value of Central Asian case studies. In 2014, the Foundation conducted preliminary discussions with our partner institutions to begin designing a new faculty training program tentatively scheduled for 2015.

PARTNER UNIVERSITIES

AUCA & 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 a number of 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

American Councils for International Education: ACTR/ACCELS is a premier, international nonprofit creating educational opportunities that prepare individuals and institutions to succeed in this interconnected world. Founded in 1974 as an association for area and language studies, American Councils, with a team of over 500 dedicated professionals in more than 80 countries, designs, implements, and administers academic exchanges, overseas language immersion, and educational development programs that broaden individual perspectives, increase knowledge, and deepen understanding. Building on over three decades of regional expertise in Central Asia and other republics of the former Soviet Union, American Councils advances education and research worldwide through substantive cross-cultural programs that provide a global perspective essential for academic and professional excellence. American Councils was retained to facilitate the design of and to administer the Foundation's programs.



FISCAL YEAR 2016 HIGHLIGHTS



Central Asia
Education Foundation



KIMEP SENIOR **SURUR ULUGBEK**, RECIPIENT OF THE STEVEN F. SHEA EXCELLENCE AWARD 2015

THE STEVEN F. SHEA EXCELLENCE AWARD

In May 2015, the U.S.-CAEF Board established an annual award for graduating seniors and alumni to commemorate Mr. Steven F. Shea, a founding director of U.S.-CAEF and its first President. A man of few words, but great heart and wisdom, Steve took immense pleasure in listening to and learning from U.S.-CAEF scholars and alumni. His interest in U.S.-CAEF students, alumni, and their families, and his concern for the personal, academic, and professional lives of U.S.-CAEF students and alumni have been an inspiration to his fellow Board members and our university partners and, most importantly, have made a difference in the lives of the Foundation's students, alumni and their families.

In Steven's honor, the Board established a commemorative plaque and monetary award of \$1,000 for the graduating fellow from each of our partner institutions who has best demonstrated outstanding scholastic achievements, professional growth, and active commitment to the economic development of Central Asia.

The Board also determined that a total of 6 U.S.-CAEF alumni, three from AUCA and three from KIMEP, will be honored each year with the Steven F. Shea Excellence Award for their significant professional achievements, service to the community, and active commitment to the economic growth of Central Asia. From among the alumni honorees, one individual from AUCA and one from KIMEP will receive the top honor of \$1,000 and a plaque of recognition. In addition, four honorable mention candidates, two from each university, will also be selected to receive a certificate of recognition and a monetary grant of U.S. \$250.

The first Steven F. Shea awards were announced by the Board on May 23 and June 6, 2015 during graduation receptions at KIMEP and AUCA respectively. For details about this year's award recipients, please see page 5 ('Graduation 2015') and page 18 ('Alumni Award Winners').

STUDENT FELLOWSHIPS

The 2015 fiscal year was another successful year for the Foundation. We celebrated our fifth graduating class of Enterprise Student Fellows. Twenty-seven young men and women completed their undergraduate studies at our partner universities and embarked on their careers. We recognized their achievements in ceremonies in Almaty and Bishkek. Directors of the Foundation were able to congratulate the Fellows and their proud parents in person.

STUDENT INTERNSHIPS

The fourth U.S. International Internship Program was implemented during the fall of 2014. Four interns successfully completed their internships on December 12, 2014. Another select group of six graduates started their internship programs on September 1, 2015. This four-month program in the U.S. is designed to provide meaningful academic and work experience relevant to the Student Fellows' academic backgrounds. In addition to the U.S. component, this year, two AUCA fellows took part in a two-month internship program in London, UK.

The Regional Internship Program continued to be a success. Twelve sophomores successfully completed their 2015 summer internships which provided them a first-hand look at business operations in the region and prepared them for additional internships in their junior and senior years.

ALUMNI ASSOCIATION

The Alumni Association continued to engage in activities that benefited both alumni and current Fellows and promoted social and professional contacts within and beyond the U.S.-CAEF program.

The second Alumni Council, elected in January 2015, continued the traditions established by their predecessors and engaged in multiple activities fostering the U.S.-CAEF spirit further.



TANGULU DIUSHAKHMATOVA
RECEIVES AWARD FROM
U.S.-CAEF PRESIDENT
STEPHEN WEINROTH



AUCA SENIOR ULUKBEK
ABDUBALIEV GRADUATES
SUMMA CUM LAUDE



MOHINAV AMONULLOEVA

STUDENT FELLOWSHIPS



FROM LEFT TO RIGHT: KIMEP SENIORS ZARRINA YUNUSZODA, DOVLETGELDI JUMAYEV, SURUR ULUGBEK & YUSUP ARTYKGULYYEV

GRADUATING CLASS 2015

The class of 2015 is the fifth graduating class of U.S.-CAEF Enterprise Fellows, bringing the total number of alumni to 138. U.S.-CAEF is the largest scholarship provider at KIMEP University and among the largest financial supporters of AUCA students.

Directors of U.S.-CAEF traveled to Central Asia to celebrate the accomplishments of the class of 2015. Presidents of both universities, Dr. Chan Young Bang and Andrew Wachtel, honored the contributions of U.S.-CAEF and its fellows by inviting Foundation directors Mary Ginsberg and Stephen Weinroth to join administrators and honored guests on stage during the commencement ceremonies in Almaty and Bishkek on May 23 and June 6, 2015.

GRADUATING SENIOR AWARD WINNERS:



VALENTINA KHOMENKO



NASIBA NURMATOVA



JENNET GURBANMAMMEDOVA



SURUR ULUGBEK

NASIBA NURMATOVA

AUCA CLASS OF 2105

Nasiba graduated from AUCA magna cum laude in June, 2015. Throughout her four years as a U.S.-CAEF Fellow, she combined outstanding academic achievements with remarkable professional growth and an unflinchingly positive, kind, generous personality. Her performance as a regional intern at the U.S. Embassy in Bishkek during her junior year led to a permanent, part-time, salaried position in the Human Resources and Finance Department. By her senior year, Nasiba was managing projects for the UN Entity for Equality and Empowerment of Women. As a consultant at AUCA's Business Clinic, she also oversaw a wide range of successful community projects. For her remarkable achievements, the Foundation selected Nasiba to participate in the fall 2015 U.S. Capstone Internship program in Washington, DC.

VALENTINA KHOMENKO

AUCA CLASS OF 2015

During her four years as a U.S.-CAEF Fellow, Valentina demonstrated extraordinary academic abilities, great personal ambition, and a remarkable commitment to improving the lives of others. She was named to the Dean's List in 2012 and 2013 and to the President's List in 2014. In Fall 2013, she participated in a highly competitive exchange program at the Norwegian University of Life Sciences,

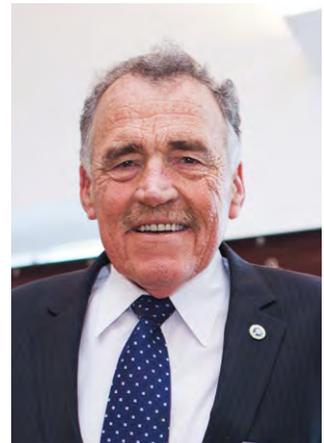
in Aas, Norway. Earning the highest cumulative GPA of 3.95 among the students in the Business Administration Department, Valentina graduated AUCA summa cum laude in June, 2015.

As a Future Leaders Exchange Program (FLEX) Alumni Coordinator, Valentina successfully led and implemented over 100 volunteer projects and networking activities, and won important USG grant competitions for projects supporting the rights of disabled people, promoting healthy life styles, helping students from disadvantaged socio-economic backgrounds, and raising public awareness about environmental issues. For her dedication, leadership and outstanding achievements, Valentina was named the FLEX alumni coordinator of the month by the Eurasia FLEX alumni office in June, 2013. In Fall 2015, Valentina was among six U.S.-CAEF fellows selected by the Board to take part in the U.S.-based Capstone Internship program in Washington, DC.

JENNET GURBANMAMMEDOVA

KIMEP CLASS OF 2015

Jennet was named to the Dean's List in Fall 2011 and to the Presidents' List three times in Spring 2012, Fall 2012, and Spring 2014. While still a student, Jennet began a successful professional career at Nestle Food, Kazakhstan, and Aziya-Ulaglary, a Turkmen transportation company. In addition, she received several leadership awards and certificates for participation



STEVEN F. SHEA AWARDS FOR GRADUATING FELLOWS

This year's graduation receptions were particularly meaningful as they marked the inauguration of the Steven F. Shea Excellence Award, established by the Foundation to commemorate Mr. Shea's leadership and service to U.S.-CAEF (see page 3). In special recognition of the exceptionally high quality of this year's graduating fellows at both institutions, the U.S.-CAEF Board of Directors granted Steven F. Shea awards to two graduating fellows from each of our partner institutions, making a total of 4 awards for new graduates in 2015. Mary Ginsberg and Stephen Weinroth announced the awards during annual graduation receptions for U.S.-CAEF fellows at KIMEP (May 23) and AUCA (June 6). Each awardee received a monetary award of U.S. \$1,000 and a plaque of recognition.

AUCA Student Fellows who received honors in the 2014-2015 academic year:

CLASS OF 2015
ULUKBEK ABDUBALIEV
NURZAT ALTYNBEKOVA
MALIKA IBRAGIMOVA
VALENTINA KHOMENKO
ASYLGUL KENZHEBAEVA
NASIBA NURMATOVA
AMANTUR TYNBYBEKOV
MERUERT ZHUMAGULOVA
CLASS OF 2016
DILDANA ABBASOVA
ANISA ATALOVA
ADEL SULTANBEKOVA
TYNYSTAN TALANTOV
MAKHABAT TASHBALTAEVA
CLASS OF 2017
RAKHNAZA ABAKIROVA
ANISA HOJIEVA
ASEL KALDYBAEVA
ZHAMILIA KLYCHEVA
SAMATBEK OSMONOV
INNA TSOI
CLASS OF 2018
ASEL AMATOVA
ZUHRO GANJIBEKOVA
ZHIBEK KAMALBEK KYZY
MERYEM KARAHASANOVA
ALTYNAI MELISOVA
OSIYA OLIMNAZAR
KANAT OSMONOV
TAKHMINA ZAKIROVA

in business forums and competitions, language festivals, and Model UN conferences. In November, 2014 Jennet participated in the International Business Conference in New-York, becoming the only representative selected from the Central Asian region for this event. In Fall 2015, Jennet was one of six U.S.-CAEF fellows selected by the Board to take part in the U.S.-based Capstone Internship program in Washington, DC.

SURUR ULUGBEK

KIMEP CLASS OF 2015

Surur completed a double major in Accounting and Finance and graduated cum laude from KIMEP University with a cumulative GPA of 4.23, the highest among the students of her cohort.

In addition to excelling in her academic pursuits, Surur interned in the accounting department of Kazkommertsbank, in the finance department of TojikSodirotobank, and in the grant department of Center Nur, a non-profit organization supporting disabled children. She attended a three-week summer program in the Economics Department of the University of Ljubljana in Slovenia in 2014, was involved in the activities of KIMEP Entrepreneurs' Club, took part in educational games sponsored by the Kazakhstan Stock Exchange, completed a leadership program organized by AIESEC (the international student organization); and volunteered at the Central Asian Tax Research Center in Almaty. She is currently employed in the auditing department of Deloitte & Touche LLC, Dushanbe.

ACCOMPLISHMENTS OF GRADUATING FELLOWS

In keeping with traditions established over many years by previous cohorts, the 2015 graduating class upheld the high standards of the U.S.-CAEF program, completing their studies at AUCA and KIMEP University with impressive results. Of twenty-seven seniors, 18 have been recognized on the President's and Dean's Lists. Ten seniors majoring in Business Administration earned academic honors of summa cum laude, magna cum laude, and cum laude:

ULUKBEK ABDUBALIEV
SUMMA CUM LAUDE

MERUERT ZHUMAGULOVA
MAGNA CUM LAUDE

AMANTUR TYNBYBEKOV
MAGNA CUM LAUDE

AMINA IQBOLZODA
CUM LAUDE

NURZAT ALTYNBEKOVA
MAGNA CUM LAUDE

SURUR ULUGBEK
MAGNA CUM LAUDE

VALENTINA KHOMENKO
SUMMA CUM LAUDE

ASYLGUL KENZHEBAEVA
MAGNA CUM LAUDE

ZARRINA YUNUSZODA
CUM LAUDE

NASIBA NURMATOVA
MAGNA CUM LAUDE

In AUCA's Economics Department, where students do not receive graduation honors, senior **Malika Ibragimova** was named to the President's List for outstanding academic achievements throughout her four years of study. Malika's thesis, *Socio-Economic Determinants of Life Satisfaction in Kyrgyzstan*, was recognized as the best research paper during the first Life in Kyrgyzstan conference that took place on October 1-2, 2015 in Bishkek.

Upon their graduation, 97% 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 the Agha-Khan Foundation, American Chamber of Commerce, Agency of Antimonopoly Regulation, Avisia Technologies, Baker Tilly, Deloitte & Touche LLC, Kumtor, Kyrgyz Concept, Orda Invest and others.

Four seniors—**Meruert Zhumagulova, Shahnoza Seidmedova, Jemal Agayeva and Yusup Artygulyev**— received full scholarships to continue their studies in graduate schools in Germany, Italy, and Kazakhstan. 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.

"I learned a lot about business during these years. I enjoyed every class and training session that I took, and every internship and work experience that I have gained. All these experiences and knowledge will help me become a better specialist and contribute to the development of the region. I want to express my deep gratitude to U.S.-CAEF for giving me a great opportunity to study at KIMEP University," wrote **Rustamjon Vakhobov**, who is currently employed as an audit assistant at Deloitte, Atyrau, Kazakhstan.

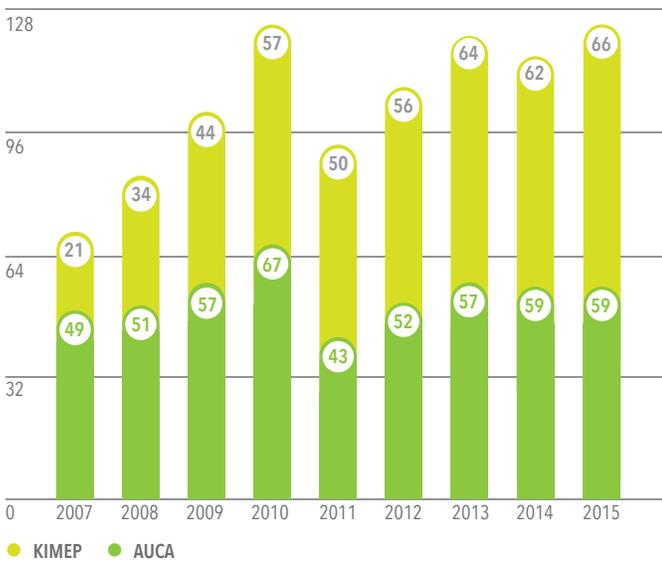
FELLOWSHIPS

During the 2014-15 academic year, the Foundation provided **121** fellowships for 59 Student Fellows to enroll at AUCA and 62 to attend KIMEP University. The Foundation provided **125** scholarships for the 2015-16 academic year, supporting 59 students at AUCA and 66 at KIMEP University. Enterprise Student Fellows represented all five of the former Central Asian Republics of the former Soviet Union.

The academic performance of 2014-15 Enterprise Student Fellows was exemplary. Overall, the program-wide average GPA stayed high at **3.57**. The number of fellows earning a GPA of 3.00 or higher stands at 84.4% at AUCA, while at KIMEP University, 96.4% of fellows completed their studies in good academic standing in AY 2014-15.

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.

FIGURE 2: STUDENT FELLOWS BY INSTITUTION SINCE PROGRAM INCEPTION



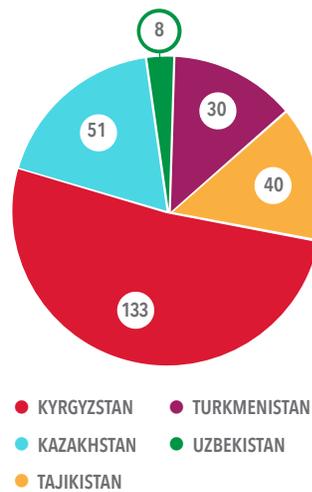
RECRUITING & SELECTION

Recruitment activities for the U.S.-CAEF Fellowships began in October 1, 2014 and continued until the application deadline of February 13, 2015. The 2015 recruitment efforts resulted in an even more robust pool of candidates than in previous years: we received a total of **315** applications, the highest since the program's inception (last year's applications totaled 255).

As in previous years, Tajikistan and the Kyrgyz Republic accounted for the largest portion of our applications. Applications in Kazakhstan increased by 55%. 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.

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.

FIGURE 1: STUDENT FELLOWS BY CITIZENSHIP SINCE PROGRAM INCEPTION



Twenty-seven Fellows or 46% of our AUCA students were recognized on the President's and Dean's Lists during AY 2014-2015, nine percent higher than in the previous academic year.

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.

Of 62 KIMEP Student Fellows, 37 received honors in AY 2014-2015:

CLASS OF 2015
JEMAL AGAYEVA
AMINA IQBOLZODA
SHAHNOZA SEIDMEDOVA
MONANDNISO TURSUNOVA
SURUR ULUGBEK
ZARRINA YUNUSZODA
CLASS OF 2016
AISULUU ABDYRAKMANOVA
AIIDA BAGYTZHANOVA
YULIYA DAVYDENKO
CHYNARA ERKULOVA
FIRUZA HASANOVA
MALIKA ORAZYMBETOVA
NAZERKE ZARLYKHANOVA
CLASS OF 2017
MOHINAV AMONULLOEVA
TIMUR AZIZOV
KARIMKHON BUKHADUROV
SHAHNOZ JONMAMADOVA
TIMUR KARIMOV
DANA KUSSAIN
ZARRINAKHON MULLOBOEVA
USNIBEGIM RAHIMJONOVA
AIGERIM RYSBAYEVA
AKNUR TASSYBEKOVA
JAMSHED UMARZODA
ALEXEY YAN
CLASS OF 2018
DASTAN AKHTAYEV
YULIANA BAKULINA
ZHAKSAT BASSEN
KAMILA BEKBAGANBETOVA
ELVIRA CHUIBEKOVA
SHAHLO JONMAMADOVA
GALIYA KEMELBAIEVA
JAHONGIR RAHIMOV
AIDAI TOPCHUBAEVA
ZULFIYA URUNOVA
ZUHRO QONUNOVA



ANISA ATALOVA



AZIM TILEKOV

FUTURE LEADERS

AUCA and KIMEP 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. The Foundation would like to highlight a few of the many examples of their leadership.

As public relations director of AUCA TV, **Bakhrom Tursunov** develops university promotional materials, utilizing his classroom knowledge in marketing. In addition, Bakhrom was selected to take part in the Mega Educational Leadership Program organized by ProKG, a unique school for young leaders that provides intensive leadership training and mentoring programs developed and implemented by professionals with international experience. In Almaty, sophomore **Timur Karimov** of Tajikistan founded the KIMEP Honor Society (KHS) to promote students' academic excellence and active involvement in university life.

To hone their leadership skills, Enterprise Students Fellow take part in various leadership training activities, conferences, and forums. KIMEP freshman **Yuliana Bakulina** represented Turkmenistan in the Women's Leadership summer workshop held by the Study of the U.S. Institutes (SUSI) at Green River Community College, WA on June 27-August 1, 2015. Meetings with U.S. women leaders from various professional fields and talented international students empowered her to achieve her full potential and inspired her to serve her community. AUCA sophomore **Adylbek Dzhapashov** was selected to participate in the National Leadership Development Summit held in Cholpon-Ata, Issyk-Kul on March 6-9, 2015. Using the knowledge gained in the conference, Adylbek is now participating in the project "Top Talents," a platform for young entrepreneurs which helps them activate their leadership and business potential through working together on real business cases and presenting creative solutions to local companies.



BAKHROM TURSNUNOV



BATIMA MYRZABEKOVA

PROFESSIONAL DEVELOPMENT

U.S.-CAEF Student Fellows actively seek professional development opportunities to better prepare for their future careers. To meet this demand, numerous career planning, professional development, cultural, and team-building seminars and meetings are organized by U.S.-CAEF. During this reporting period, U.S.-CAEF arranged site visits to Coca-Cola Bishkek Bottlers and Kumtor Gold Company; meetings with Aler Grubbs, Director of the Regional Strategy & Program Office of USAID; Pavel Koktyshov, Director of the Institute for Development and Economic Affairs and Co-founder of Young Entrepreneurs Club of Kazakhstan; and Dauren Kaysarov, CEO of Buffeteria, a catering company. 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. A few examples include:

As part of the highly competitive FLEX Exchanges to Internships program sponsored by the U.S. Embassy, three AUCA fellows—**Meerim Batyrkanova**, **Nasiba Nurmatova**, and **Adel Sultanbekova**—were selected to intern at the Kyrgyz Antimonopoly Agency, the Ministry of Social Development, and the Ministry of Finance respectively from April to June, 2015. The interns learned about the system of governance in the Kyrgyz Republic, conducted research into current problems in the country, organized roundtables on important economic and social issues, and worked on mini-projects that allowed them to directly address some of the problems they encountered during their work with government agencies. Junior **Azim Tilekov** interned in the analytical department of the Central Asian Free Market Institute (CAFMI) over the summer, where he prepared a policy paper about government expenditures on elementary education and helped organize a startup competition aimed at developing an open platform for entrepreneurs, experts and investors to create joint businesses. Another junior, **Kuttubek Rakhmanberdiev**, was among thirteen out of 300 applicants selected to take part in the summer internship at Mozgami Studio, one of the major advertising agencies in Central Asia, where he was involved in a marketing campaign for a recreation center. Sophomore **Kanat Osmonov** was chosen to participate in the School of Social Entrepreneurship funded by the U.S. Embassy in Bishkek on September 4-8 and 25-29. The school's purpose was to support the economic empowerment of youth through leadership, social entrepreneurship, and business-plan development training; only 25 young people from all regions of the Kyrgyz Republic were selected to participate. **Batima Myrzabekova** had a unique opportunity to learn about government financial operations and services after winning a highly

competitive summer internship at the Ministry of National Economy of Kazakhstan. "One of the main take-aways from this internship for me was learning about the connection between budget allocations and the development of regions in Kazakhstan, which triggered my interest in learning more about this field. In addition, I learned to appreciate state employees' hard work and their loyal service to the country," Batima wrote.

Professional development activities often motivate Fellows to take steps toward creating their own startups. In her senior year, **Anisa Atalova** of AUCA opened a cosmetics shop "Let's Makeup". She now has three staff members and her business venture is operating well. Another AUCA senior student, **Adel Sultanbekova**, is the leader of a startup, Free Bishkek Tour, which aims to provide an alternative to expensive tourism by offering guided tours in the Kyrgyz Republic that are affordable for any budget.



YULIANA BAKULINA



ADEL SULTANBEKOVA

GLOBAL EXPERIENCE & INTERNATIONAL CONFERENCES



AUCA FELLOWS AT WORLD BUSINESS DIALOGUE

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. On March 12-13, four U.S.-CAEF Fellows – **Asylgul Kenzhebaeva**, **Valentina Khomenko**, **Adel Sultanbekova** and **Amantur Tynybekov** – attended the 18th World Business Dialogue in Cologne, Germany, one of the largest international student-run business conventions worldwide. Two hundred and fifty delegates from 60 countries took part in workshops and discussions about current trends in the business world. Speakers included government dignitaries from Germany and the Netherlands and top managers of BMW Group, Ford, Yandex, Bayer, Henkel, Detecon International, Ernst & Young, Simon-Kucher & Partners, and Boston Consulting Group.

On August 18-24, **Karimkhon Bukhadurov** took part in the 26th International Youth Forum (IYF) in Seoul, South Korea, sponsored by the United Nations and organized by the National Council of Youth Organizations in Korea. Participants discussed ways to achieve universal primary education and eradicate poverty.

Ulukbek Abdulaliev won a full scholarship to participate in the Rome Model United Nations (MUN) international conference in Italy on March 14-18. More than 2,000 students from more than 100 countries met to exchange ideas on important issues that transcend national boundaries. "I represented Belgium in the Economic and Financial Committee, which focused on agricultural development and regulations. I was actively involved in discussions and provided insights into the global issues from the point of view of my country. I was really surprised to observe how students generated ideas non-stop, which made me realize that the new generation has a lot of potential to bring significant changes," Ulukbek wrote.

Many of our Fellows have taken advantage of overseas study opportunities offered through our partner universities. Selection for these programs is highly competitive, and Enterprise Fellows have studied abroad successfully at a wide range of prestigious overseas institutions. Twenty-one Fellows recently studied in Austria, Croatia, Norway, South Korea, Spain, Sweden, and Turkey. Fellows regard study abroad as a critical component of their higher education experience. Therefore, there is no surprise that the number of students interested in exchange programs has been growing steadily. "Most of the professors are active in business and share their professional know-how in the classroom, which was a great opportunity for me to learn about business in Spain firsthand," wrote **Darina Yakovleva**, who received an Erasmus Mundus scholarship to study at the University of Deusto in Bilbao, Spain during AY 2014-15.



KARIMKHON BUKHADUROV

"It was a valuable experience for me to study among Korean students, who are very hard working and pay big attention to their studies. Our professors gave us assignments that helped me improve my understanding of business related subjects. It was especially useful and practical to review and analyze case studies using our theoretical knowledge,"

-**SAMATBEK OSMONOV**, WHO SPENT HIS SPRING 2015 SEMESTER AT HANNAM UNIVERSITY IN DAEJEON, SOUTH KOREA.

WINNERS OF BUSINESS COMPETITIONS



ZARRINA YUNUSZODA, WINNER OF CHANGELLENGE 2015

Every year, U.S.-CAEF Student 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, winning several prizes.

On April 3, 2015 **Zarrina Yunuszoda's** and **Jemal Agayeva's** teams received first place in the Changellenge Cup Kazakhstan, 2015 in both the English-language and Russian-language sections of the competition. This highly-competitive and widely-recognized contest, which was primarily geared to test the critical thinking and analytical skills of university students, was organized by the Changellenge organization in partnership with Ernst & Young (E&Y), Mars, and Sberbank. Over the course of several weeks, students from Kazakhstan and Russia were given the opportunity to work in small 4-person teams to tackle real-life business scenarios provided by Mars and Sberbank. Nine-hundred students comprising 225 teams from 34 universities across Kazakhstan and Russia participated in the competition. Twenty teams were selected as finalists and had the opportunity to receive consultations from managers of E&Y, Mars and Sberbank. "The KIMEP teams demonstrated strong teamwork and excellent presentation skills, analytical and marketing skills, and we were able to effectively apply these skills to the cases we were presented. Together with my team, we had a brilliant chance to present our business solutions to Sberbank. We were able to offer interesting financial, marketing and management strategies for the implementation of Sberbank's mobile banking. This accomplishment once more proved that KIMEP University is the top school in Kazakhstan. KIMEP students won 4 out of 6 top prizes—two in the Russian and two in the English sections. I am proud to be a student of this world class university! This proves that teaching critical thinking and analytical reasoning has real-world applications," noted Jemal, who was a member of the 1st place Russian-language team. "Participating in

Changellenge provided me with numerous benefits—I developed my analytical, presentation and teamwork skills; it was also a good opportunity to compete with the brightest minds of Kazakhstan and Russia and explore my capabilities; in addition, I received job and internship offers," wrote Zarrina, who represented the first-place English-language team.

On the following day, April 4, 2015 another U.S.-CAEF Student Fellow, **Malika Orazymbetova**, helped her team win the annual Accounting Olympiad sponsored by PricewaterhouseCoopers (PwC). Malika impressed PwC recruiters with her knowledge of finance and her presentation skills; she was awarded a one-month paid internship at PwC Kazakhstan and received career training from PwC specialists.



JEMAL AGAYEVA, WINNER OF CHANGELLENGE 2015



MALIKA ORAZYMBETOVA, WINNER OF PWC ACCOUNTING OLYMPIAD



NAZERKE ZARLYKHANOVA



ALTYNAI MELISOVA



SAGYNAI KOICHUEVA



MONANDNISO TURSUANOVA AT ORPHANAGE



NOTABLE ACHIEVEMENTS

U.S.-CAEF STUDENT FELLOW AMONG 100 BEST STUDENTS OF ALMATY

Based on her exceptional academic and non-academic achievements, **Nazerke Zarykhanova** was included in the catalogue “Top 100 Students of Almaty,” created by Elite, a human resources company in Kazakhstan. Selected from the highly competitive pool of over 2,000 talented Kazakhstani youth, Nazerke truly stood out as a versatile and proactive student, able to successfully balance academics with service to her community. “The creators of the competition believe that the catalogue can serve as a reliable resource for employers seeking promising young professionals as well as it might help graduates in their first steps on their professional paths. This was a great experience, and I hope to use it in the future,” wrote Nazerke.

Nazerke’s accomplishments are numerous. She has garnered the highest cumulative GPA among her peers, and is on track to graduate KIMEP summa cum laude in May, 2016. In recognition of her academic excellence, Nazerke received a Nazarbayev Award in Oc-

tober, 2015 and was entitled to the Presidential stipend for one academic year. In addition, she has accumulated substantial work experience in sales, accounting and marketing through her employment with Ipekyolu International Exhibitions Limited in Istanbul, Turkey, as well as New Way Sole Proprietorship and Central Asian Trade Exhibitions (CATEXpo) in Almaty, Kazakhstan. Nazerke won scholarships to study in Hong Kong, China and Croatia; received awards in accounting and intellectual contests; was named Best Delegate several times at Model UN conferences; and won several grants to lead community and cultural projects in Kazakhstan as well as abroad. Currently, Nazerke holds two leadership positions—she is President of Internal Affairs for the Kazakhstan Model UN Society and Vice President of the KIMEP Honor Society. In her free time, Nazerke plays piano and participates in fashion modeling and sports.



ZHIBEK KAMALBEK KYZY

COMMUNITY OUTREACH

During the 2014-15 academic year, Enterprise Student Fellows were involved in a wide range of initiatives that helped them make a difference in their communities while developing the skills to become socially responsible business leaders. Fellows organized charitable events and fund-raising 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. Below we would like to offer just a few examples of Fellows’ involvement in projects that benefit society:

ter my speech, because about an hour later I received many messages from students from different parts of our country via Facebook,” wrote Zhibek.



ZULFIYA URUNOVA

While volunteering at the international student organization Enactus, **Asel Kaldybaeva** took part in several community projects aimed at improving the lives of financially-disadvantaged people in Kyrgyzstan. **Alty-nai Melisova** and **Zhibek Kamalbek kyzy**, who won a Global Youth Service Day grant from the U.S.-Embassy, created a partnership with the Sverdlov District Administration and Childhood Institution Foundation to implement a highly successful health project on April 18, 2015 in Bishkek. “Ten families of elementary school students took part in Health Invest. The event went smoothly thanks to careful planning and organization. It became a real sensation. An article about Health Invest appeared on Bradley Herald’s web page and on the websites of local schools and newspapers, and I gave an interview to the local TV channel ELTR. During my interview, I encouraged young people to volunteer and take part in community activities. I think that those who watched the show were motivated af-

As a member of Unity Fund Club (founded by U.S.-CAEF fellows of earlier cohorts), **Sagynai Koichueva** became engaged in social projects helping senior citizens and orphans in Bishkek. In Almaty, **Monandniso Tursunova** of Tajikistan, joined a mentoring program for orphans, a joint project of the charity fund Dara and the movement “A Child Should Live in a Family.” “Volunteers are expected to maintain constant communication with the children they are assigned to. They usually help children with their school work, give advice on how to behave in society, and talk about their plans for the future. I believe that this program has a great impact on orphanages and their future activities, and I am proud to be part of these positive changes,” wrote Monandniso.



Another student from Tajikistan, **Zulfiya Urunova**, took part in the Innovate for Change Conference in Dushanbe, sponsored by the U.S. Embassy, the United Nations Development Programme (UNDP), and TCell Telecommunication on June 29-July 13. She received a two-week hands-on training in social entrepreneurship, social innovation, and leadership. By the end of the conference, together with her team, Zulfiya presented practical ideas on how to increase the use of social media by people with disabilities. Zulfiya believes that the application her team offered can significantly improve the quality of life for people with disabilities and hopes it will be implemented by TCell Telecommunication in the near future.

INTERN FELLOWSHIPS



CAPSTONE INTERNS 2015 (FROM LEFT TO RIGHT):
AMANTUR TYNBYBEKOV, VALENTINA KHOMENKO,
NASIBA NURMATOVA, OGULJENNET TAGANOVA,
AMINA IQBOLZODA & JENNET GURBANMAMMEDOVA

REGIONAL SUMMER INTERNSHIP PROGRAM

The Foundation's Regional Internship program offers Fellows an 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. This year, a total of 12 sophomores chose to participate in summer regional internships:

MOHINAV AMONULLOEVA
KIMEP UNIVERSITY

KYIAL BAKYTBEK KYZY
AUCA

ANISA HOJIEVA
AUCA

SHAHNOZ JONMAMADOVA
KIMEP UNIVERSITY

ASEL KALDYBAEVA
AUCA

TIMUR KARIMOV
KIMEP UNIVERSITY

GULNAZA KHALMANBETOVA
AUCA

RAKHAT KUBANYCHBEKOVA
AUCA

ZARRINAKHON MULLOBOEVA
KIMEP UNIVERSITY

USNIBEGIM RAHIMJONOVA
KIMEP UNIVERSITY

INNA TSOI
AUCA

AIZADA TYNCHYBEK KYZY
AUCA

The Interns explored their professional interests and examined new career paths, learned practical work skills, expanded their knowledge, and gained first-hand experience in professional work-place settings.

We were pleased and grateful that several program alumni—**Izat Osmonov, Arystan Moldabekov, Ignatii Kim, Karina Kussainova** and **Oralbek Seytmanov**—helped Fellows find meaningful internships at FINCA, Capital Bank, Manas Airport and Inspire Consulting. In addition, Arystan, Karina and Oralbek became supervisors and mentors for Mohinav Amonulloeva, Inna Tsoi and Timur Karimov, providing these interns with enormous support throughout their first professional experience.

The quotations below, excerpted from students' evaluations, reflect their thoughts and experiences:



ASEL KALDYBAEVA

ASEL KALDYBAEVA

GROUP & INDIVIDUAL LOAN DEPARTMENT INTERN
FINCA MICROFINANCE BANK LIMITED

"Through this internship I learned a lot about the business environment in my country, how businesses are conducted in cities and villages and what actions are taken in force majeure situations. After observing different cases, I became curious about exploring the activities of big manufacturing companies."



TIMUR KARIMOV

TIMUR KARIMOV

MARKETING INTERN AT ZHETI ATA; FINANCE INTERN AT ARLAN LLC

"I consider myself rather lucky as I had a chance to work at two companies over the summer and see what is inside a marketing department of one and financial department of another company. As we all know, finance and marketing always go hand in hand. The first company was a start-up, Zheti Ata. This internship let me dive straight into the sphere of business and see firsthand what it takes to create and develop a business. I enjoyed every minute of my internship at Zheti Ata. My supervisor, **Oralbek Seytmanov** (a U.S.-CAEF alumnus), served as a great role model for me. The level of trust that I achieved with my supervisor gave me an opportunity to think independently and learn in action. I was allowed to carry out an important project on my own and develop promotional materials. This trust made me feel valued and respected. At Arlan LLC, I learned a lot about maintaining financial documentation and data bases as well as dealing with clients, which I am sure will be also helpful in my future career."

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

- ADM CAPITAL
- ALPHA TELECOM
- ARDAMINA TEXTILE COMPANY
- ASIA UNIVERSAL BANK
- BAI TUSHUM & PARTNERS MICROFINANCE BANK
- BEELINE
- CAI CONSULTING
- CAPITAL BANK KAZAKHSTAN
- CENTER FOR EDUCATIONAL ASSESSMENT & TEACHING METHODS
- TEACHING METHODS
- CHANNEL 7
- DEMIR KYRGYZ INTERNATIONAL BANK
- DININGSMART
- EURASIAN BANK
- FINCA MICROFINANCE BANK LIMITED
- FLAMINGO PARK
- GARANT, LLC
- HSBC BANK
- INTERNATIONAL BUSINESS COUNCIL
- INSPIRE CONSULTING
- KARAKOL COFFEE SHOP
- KAZINVEST
- KAZNETEVENTS
- KYRGYZ CONCEPT
- KYRGYZ CREDIT INVESTMENT BANK
- MANAS INTERNATIONAL AIRPORT
- MEGACOM
- MINISTRY OF FINANCE
- NATIONAL LEASING COMPANY
- POLYGON INTERNATIONAL, LTD
- PROJECT HOPE
- PROMOTANK
- RCG INVESTMENT FUND
- SAVE THE CHILDREN INTERNATIONAL
- SBERBANK OF RUSSIA
- SK LEASING JSC
- SHORO COMPANY
- TALAS COPPER GOLD, LLC
- THE FARM
- THE UNITED NATIONS
- THE U.S. EMBASSY IN BISHKEK
- ZHETI ATA



ZARRINAKHON MULLOBOEVA

ZARRINAKHON MULLOBOEVA

MARKETING INTERN, DININGSMART

“I am glad I had an opportunity to work for a company that was, essentially, created to promote social responsibility among restaurants and cafes. The problem of healthy nutrition and obesity, especially among children, is very serious in Kazakhstan. And society needs such companies as DiningSmart to address this issue and provide solutions. At the university, we learn that the most important objective of business is making profit and it is part of our education in the business school how to do so. What I liked about this company is that it thinks not only about making profit but promoting a healthy lifestyle as well.”

ENTERPRISE INTERNATIONAL CAPSTONE INTERNSHIP PROGRAM



U.S.-CAEF DINNER WITH INTERNS IN WASHINGTON, DC IN OCTOBER, 2015



AMINA IQBOLZODA

WASHINGTON, DC 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). Conducted in Washington, D.C., the Capstone Internship Program is designed to help postgraduate fellows decide a career direction and acquire the skills and experience needed to succeed.

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

Our 2014 Capstone Fellows—**Malika Pulotova, Khedzhera Suleeva, Yelena Vorobey** and **Sakina Yasakieva**—successfully completed their fall semester program. The program helped them gain valuable workplace skills, explore career options, and build international professional networks. “At United Planning, I was involved in market analysis, created project budgets and worked with HR profiles. I even had a chance to develop some of the organization’s charters. I started with conducting research about the fastest growing industries in Washington, D.C. and was responsible for the entire project development of a new service that my internship site wanted to launch. I felt that everything I did was meaningful and really contributed to the organization’s development. The program stimulated

me and made me feel that I was using my potential to the fullest. I have gained a solid basis for my future career, a strong sense of purpose, and confidence in my abilities,” wrote **Yelena Vorobey**, who received an Erasmus Mundus scholarship and is currently enrolled in the Economics Policies in the Age of Globalization Program at Université Paris 13, a university affiliate of Sorbonne Paris Cite, France.

Six outstanding U.S.-CAEF Fellows were selected by the Foundation to participate in the 2015 U.S. International Capstone Internship Program, which began on August 31, 2015: **Jennet Gurbanmammedova, Amina Iqbolzoda, Valentina Khomenko, Nasiba Nurmatova, Oguljennet Taganova** and **Amantur Tynybekov**.

In keeping with their interests and skills, the Fellows were placed in internships at Thoron Capital, Izar Capital Group, GIC Group, Studio Theater, Central Union Mission, and Eastern Market. The interns were excited to embark on this experiential learning program.

“Almost every week my supervisor and I attend governmental meetings regarding different issues. From these meetings I am learning how to make presentations and gaining insights into issues in Washington, D.C. and possible solutions. I really feel like that I am a part of this team of dynamic professionals,” wrote **Amantur Tynybekov** about the first month of his internship at Eastern Market.



JENNET GURBANMAMMEDOVA



AMANTUR TYNBYBEKOV & NASIBA NURMATOVA

In addition to their internships, Capstone Interns take an academic course of their choice at TWC. These courses are taught by professors – primarily leading practitioners with terminal degrees – from local universities in the Washington area. **Valentina Khomenko** believes that her current internship at GIC Group and the TWC academic program complement and support each other: “The material I have learned while doing research at my internship helps me draw links when I work on case studies and prepare for my academic course, *International Business: Case Studies in Strategic Trade Management*. I am very glad that I can apply theoretical knowledge to practice and analyze practices using theory.”

Capstone Interns value highly 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 at Johns Hopkins University and The George Washington University, and met with representatives of the School of Business at Georgetown University.

Special events organized by The Washington Center provided interns the opportunity to build their international and professional net-

work and to interact with experts and leaders from a wide range of professional fields. Among these activities is the Leadership, Engagement, Achievement, and Development (LEAD) Colloquium, during which interns meet regularly with course instructors in a group of 16 students to discuss critical issues and leadership, engage with professionals in a variety of settings, and volunteer for D.C. community activities. “Being around dynamic and energetic people in D.C. works like a wakeup call for me. It’s a reminder that I need to continuously develop and learn from professionals,” wrote **Oguljennet Taganova**, an intern in the accounting department at Central Union Mission. Besides 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. “At my internship site, there are five other students from TWC. They are from China, Gibraltar and South Korea. I am learning a lot from them. It is a good networking source for me as these people also have the same interests and are planning to work in investment banking,” wrote **Amina Iqbolzoda** who is currently interning at Izar Capital Group.



OGULJENNET TAGANOVA
& **VALENTINA KHOMENKO**,
INTERNATIONAL FESTIVAL,
THE WASHINGTON CENTER

LONDON PROGRAM

In December 2014, the Board offered London-based internships to **Madina Damir kyzy** and **Ignat Kim**, two Capstone Interns who due to U.S. visa complications in Bishkek were unable to participate in the U.S.-based program in fall 2014. Under the Board’s direction, American Councils partnered with Global Experiences, a widely respected international internship provider, to arrange the London program. Although Madina and Ignat were already employed when the internship opportunity became available, both Fellows gladly accepted this professional development opportunity. Fellows were grateful to their employers at KPMG and Manas International Airport for allowing them to take two months off and participate in this summer internship program in London, UK from June 22 to August 15, 2015.

Both interns found their London experience substantial and meaningful. Ignat interned with APEX Funds Services, an international fund administration company. He reported that he gained valuable knowledge and experience in fund accounting, taxation, financial statement preparation, legal regulations and management. Ignat also reported that he shared many of the insights and new skills that he gained in London with colleagues at Manas International Airport upon his return from the program.

“Apart from the technical knowledge I gained in London, I found it very pleasant to work in a multi-cultural environment as the majority of employees in the company are from different cultural backgrounds. People are great here and that’s what I love about the UK,” wrote Madina, who interned at SC Lee Accountant, which provides a comprehensive range of accounting, tax and business advisory services.



MADINA DAMIR KYZY
(CENTER) & **IGNAT KIM** IN UK

ALUMNI



U.S.-CAEF ALUMNI (FROM LEFT TO RIGHT):
**ARYSTAN MOLDABEKOV, YELENA VOROBEY
& MALIKA PULOTOVA**



ALUMNI (FROM LEFT TO RIGHT): **SAPAR IBRAEV, IZAT OSMONOV, BERMET NURBEKOVA & AZAT SAPAROV**

Although the U.S.-CAEF alumni community is relatively young, within this short time our fellows have shown their commitment to contribute to the vibrant economic development of Central Asia. About 83% of alumni have remained in the region and are currently working in the private, public and nonprofit sectors. The remaining 17% are eager to return to their native countries after completing their graduate and post-graduate degrees, internships or temporary employment contracts abroad in Belgium, Germany, France, Hungary, Italy, Kazakhstan, the Kyrgyz Republic, Malaysia, the Netherlands, Norway, Russia, Spain, the United Arab Emirates, the United Kingdom, and the United States.

Currently, the Alumni Association (the Association) has 138 members. The leadership team represents both AUCA and KIMEP Universities, and three of the Central Asian Republics:



IGNAT KIM
TREASURER
FINANCIAL DIRECTOR
MANAS INTERNATIONAL AIRPORT
BISHKEK, THE KYRGYZ REPUBLIC



MALIKA PULOTOVA
JUNIOR PR/SALES MANAGER
ALMA EAST WEST GROUP
ATYRAU, KAZAKHSTAN



KARINA KUSSAINOVA
VICE-PRESIDENT FOR
PROFESSIONAL DEVELOPMENT
BUSINESS COACH
AMITY CONSULTING, BISHKEK,
THE KYRGYZ REPUBLIC



AIDANA ABDRAKHMANOVA
VICE-PRESIDENT FOR
PROFESSIONAL DEVELOPMENT
FINANCE MANAGER
PROCTER & GAMBLE
ALMATY, KAZAKHSTAN



MADINA DAMIR KYZY
VICE-PRESIDENT FOR OUTREACH
AUDIT ASSISTANT
KPMG



JEMAL AGAYEVA
VICE-PRESIDENT FOR
REGIONAL NETWORKS
MASTER OF PUBLIC & MUNICIPAL
ADMINISTRATION
KIMEP UNIVERSITY
ALMATY, KAZAKHSTAN

U.S.-CAEF ALUMNI ASSOCIATION MISSION

STATEMENT:

The U.S.-CAEF Alumni Association is created to become an important channel of communication between all of the Association's members to complement the mission of the U.S. - Central Asia Education Foundation, and to join efforts in contributing to an entrepreneurial spirit and the economic prosperity of Central Asia.

During the period of this report, the alumni association's leadership team refined the association's strategic plan and significantly increased its activities, engaging new alumni in a wide range of activities. Among the leadership team's most significant accomplishments were:

- Increasing alumni engagement through an expanded, active presence on social media;
- Promoting the professional and personal development of program participants through workshops specifically tailored to the needs of program alumni & fellows;
- Establishing connections with local companies and embassies that opened new channels for professional development opportunities;
- Increasing interaction between all members of the U.S.-CAEF community through alumni panel discussions, teambuilding, and networking events that helped strengthen the bonds between current participants and U.S.-CAEF alumni.

As the fellows' comments on the next page demonstrate, the workshops organized by the alumni council had a great impact on them.



**KUTTUBEK
RAKHMANBERDIEV**

"The training was one of the most useful and interesting activities organized by the U.S.-CAEF Alumni Association. Through this training I acquired valuable knowledge about the essentials of managing a project and its realization process, which will be definitely helpful in my future career. The trainer provided us with interesting presentation materials and real life case examples. He divided participants into small groups and asked them to write real projects (social, business etc.), which helped me better understand the connections of each project phase. In addition, I had an opportunity to talk with our program alumni and ask their advice about summer internships and the current job market," wrote **Kuttubek Rakhmanberdiev** about the project management workshop conducted by Maxim Mischenko, a business coach with thirteen years of training experience.



EDUCATIONAL SUMMER CAMP IN ANANIEVO, AUGUST, 2015



PROJECT MANAGEMENT TRAINING

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 growth 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 KIMEP fellows at the U.S.-CAEF reception for graduating fellows in Almaty on May 23, 2015; Stephen Weinroth announced the alumni awards for former AUCA fellows during the U.S.-CAEF graduation reception in Bishkek on June 6, 2015.

AWARD WINNERS



**TANGULU
DIUSHAKHMATOVA**

TANGULU DIUSHAKHMATOVA
AUCA, CLASS OF 2011
ASSISTANT AUDITOR | KPMG BISHKEK LLC

One of the founders of the U.S.-CAEF Alumni Association and its first president, Tangulu has already combined a successful professional career with a deep commitment to Central Asia's growth and development. Respected for her professionalism and valued for her strong communication skills, Tangulu is currently employed with KPMG Bishkek LLC as an assistant auditor and is on track to soon complete her Chartered Certified Accountant Certification.

Deeply committed to the economic and social welfare of the Kyrgyz Republic's rural youth, Tangulu used the funds she received for the Steven F. Shea Excellence Award to create a four-day camp near Lake Issyk-Kul for 30 high school students from her native school in Ananievo village on August 4-7. During the camp, participants learned about educational opportunities and the transformative power of learning. Chynara Erkulova, a U.S.-CAEF fellow who volunteered to teach at the camp, expressed what many felt about Tangulu's venture: "I personally was impressed by Tangulu, who decided to spend her long-awaited precious vacation days in the camp. I am sure that every single one of us wishes he/she had an opportunity like this when we were back in high school. Tangulu set a precedent for me personally, and we both believe that camps like this one should take place across the entire country in many schools. We hope to organize more camps next summer."



MICHAEL S. KLECHESKI, U.S. DEPUTY CHIEF OF MISSION, MEETS ALUMNI



ARYSTAN MOLDABEKOV

ARYSTAN MOLDABEKOV
KIMEP UNIVERSITY, CLASS OF 2011
CHIEF OF GENERAL ACCOUNTING | CAPITAL BANK KAZAKHSTAN

Another co-founder of the U.S.-CAEF Alumni Association, Arystan has successfully managed his duties as the Association's treasurer while making extraordinary strides in his career. During the two years of his employment with Ernst & Young Almaty in 2012-2014, Arystan was promoted to Advanced Staff in the Assurance Department. In September 2014, he was employed as Head of the International Reporting Department of BTA Bank, and recently, he was promoted from the position of Deputy to Chief Accountant of Capital Bank, Kazakhstan. Despite his busy schedule, Arystan continues to help and support U.S.-CAEF fellows, most recently hosting and mentoring a U.S.-CAEF fellow during an intensive internship in his office.

HONORABLE MENTION



AIZHARKYN BURKANOVA

AIZHARKYN BURKANOVA
AUCA, CLASS OF 2014
ASSOCIATE VICE PRESIDENT FOR BUSINESS INTELLIGENCE AT AUCA

After graduating from AUCA in June 2014, Aizharkyn started her career at her alma mater as Special Assistant to the Chief Information Officer, where she played a key role in the strategic development of new information systems to enhance student learning and improve business operations at AUCA.

Aizharkyn also launched a new, successful start-up – Zebra Coffee, located in the former AUCA campus. When AUCA moved to a new facility, Aizharkyn and her team successfully gained rights to open a Blue Box Canteen coffee shop and bakery in Bishkek. The Blue Box Canteen team donated a portion of all sales to the Unity Fund, an organization created by U.S.-CAEF alumni to help orphans and people from low-income families in Kyrgyzstan as well as other clubs involved in community outreach. Recently, after being promoted to Associate Vice President for Business Intelligence at AUCA, Aizharkyn decided to leave her venture and focus on new projects that can bring many positive changes to AUCA.



AIIDA BAGYTZHANOVA

"I would like to thank the U.S. Embassy for organizing this event. The meeting not only provided us with valuable professional information, but I also had a chance to meet many bright USG program alumni and great entrepreneurs and famous bloggers of Almaty. I hope that we will have more meetings of this type with other successful and inspiring people in the future. Students really need to meet and talk with entrepreneurs more. They give us more insights into the business world than our theoretical courses and they do motivate us with their accomplishments and enthusiasm," wrote senior **Aiida Bagytzhanova**, who was one of seven U.S.-CAEF fellows and alumni invited by the U.S. Consulate General to this unique workshop conducted by marketing innovator and entrepreneur Peter Corbett, on October 13, 2015 in Almaty.



AIZADA TYNCHYBEK KYZY

Aizada Tynchybek kyzy found the workshop on professional and personal strengths conducted on November 21, 2015 in Bishkek very inspiring: "The workshop was exactly what I needed and I have been searching for a while. Now I know about my strengths and what I should capitalize on and what I should do to be successful. I'm really grateful for such a motivating and empowering workshop."



ALUMNUS **DASTAN ZHUMAGULOV** (CENTER) WITH KIMEP FELLOWS



ALUMNI PANEL DISCUSSION PARTICIPANTS

HONORABLE MENTION



ALINA JETIGENOVA

ALINA JETIGENOVA
AUCA, CLASS OF 2011
MARKETING COMMUNICATIONS MANAGER | SKALFA LLC

Alina currently works as Marketing Communications Manager at Skalfa LLC Software Company and holds a part-time position as Communications Manager at Urban Initiatives, a non-profit organization that promotes sustainable energy technologies.

Alina has consistently demonstrated creativity, entrepreneurship and innovation both through her professional career and a wide range of volunteer activities aimed at fostering business, innovation, and public health in the Kyrgyz Republic. She opened a unique popular club named "Dom 163," designed to bring together business people and entrepreneurs for informal meetings, group discussions, and cultural activities. With support from the Soros Foundation, she launched a successful magazine "Moloko (Milk)," which features stories about people and events in Bishkek. She also created and now edits an online magazine, SHEISNOMAD, which features inspiring stories on travel and life-style opportunities for women, and writes a widely followed blog, BihskekFunRun: <https://nomadrunner.wordpress.com/2014/09/08/bishkek-fun-run/>



AIDANA ABDRAKHMANOVA

AIDANA ABDRAKHMANOVA
KIMEP UNIVERSITY, CLASS OF 2012
FINANCE MANAGER | PROCTER & GAMBLE

As a senior at KIMEP, Aidana won a business competition organized by the Almaty branch of Procter and Gamble (P & G), where she was working as an intern. That accomplishment led to a full time job offer with P & G immediately upon graduation. In September 2015, in recognition of her contribution to the success of the company, Aidana was promoted to Finance Manager. Although her work at P & G is very demanding, Aidana serves as Vice President for Professional Development of the U.S.-CAEF Alumni Association, organizing panel discussions, workshops and teambuilding events that inspire alumni and current fellows to grow, to work together, and to achieve.



ORALBEK SEYTMANOV

ORALBEK SEYTMANOV
KIMEP UNIVERSITY, CLASS OF 2011
DIRECTOR | FASOL MANAGEMENT COMPANY LLP

A native of Uzbekistan, Oralbek's truly entrepreneurial mindset has widely benefitted his colleagues and peers. As an undergraduate, Oralbek founded KIMEP's Entrepreneurs Club, one of the first student organizations focusing on business at the university; the club remains highly popular, particularly among the U.S.-CAEF fellows.

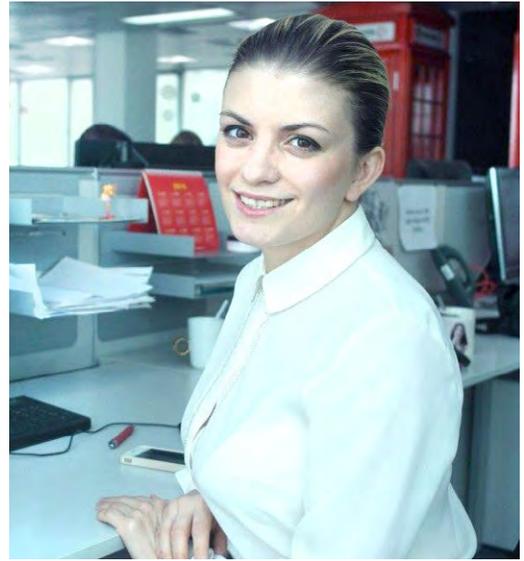
Oralbek also created his own e-business, FaSol Management Company LLP, after working at LG and Sony Electronics as a manager in accounting, marketing, and sales for over three years. His new company provides catering services to local businesses. His team takes online orders and delivers food to clients from the best food suppliers in Almaty. In the future, Oralbek plans to expand his business to include food preparation as well. In Summer 2015, Oralbek offered an opportunity for a U.S.-CAEF fellow, sophomore Timur Karimov of Tajikistan, to intern in his company and gain valuable experience in marketing.



STRENGTHS QUEST TRAINING IN BISHKEK



KHURSHEDMO JONMAMADOVA (CENTER) WITH EMPLOYEES AT HER BAKERY



IRINA ABASOVA STARTS A NEW BUSINESS, CREATE 3D KAZAKHSTAN

FROM IDEAS TO ACTION

Despite the challenging business environment of Central Asia, many U.S.-CAEF alumni aspire to turn their ideas and passions into new business ventures. Several are already running successful startups, while others, such as **Khurshedmo Jonmamadova** of Tajikistan (Class of 2013) and **Irina Abasova** of Turkmenistan (Class of 2012), recently launched promising new ventures.

In November 2014, Khurshedmo received a grant from the German Federal Enterprise for International Cooperation and the American Chamber of Commerce in Tajikistan that she used to create a new bakery called "Izyum" ("Raisin") in Khorog, Tajikistan. Currently, Khurshedmo has five full-time employees on the staff of her growing business.

Using her personal savings, Irina founded a startup, Create 3D Kazakhstan, in August, 2015. She writes, "The concept of usefulness of this type of printing inspired me enormously. With the help of a 3D printer, people can create many practical objects such as artificial limbs, different equipment parts, etc. that are more cost-efficient and, therefore, affordable. I hope to be able to raise capital to expand my business and reach out to different demographics. I want my business to be useful and practical; therefore, in the future, I would like to focus on clothing, medical and food sectors – areas that are always in demand."

FINANCIAL STATEMENTS



KIMEP FELLOWS **ILHAN YOLLYYEV**
& **AIIDA BAGYTZHANOVA**

INDEPENDENT AUDITORS' REPORT

February 4, 2016

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, 2015 and 2014, 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, 2015 and 2014, 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*

STATEMENTS OF FINANCIAL POSITION

• SEE NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30		2015		2014
ASSETS				
CURRENT ASSETS	CASH & CASH EQUIVALENTS	\$699,094		\$800,378
	ACCRUED INTEREST & DIVIDENDS RECEIVABLE	\$38,241		\$31,406
	PREPAID EXPENSES & OTHER ASSETS	\$130,585		\$107,988
	TOTAL CURRENT ASSETS	\$867,920		\$939,772
OTHER ASSETS	INVESTMENTS (NOTE 4)	\$7,437,569		\$9,054,864
	HYBRID FINANCIAL INSTRUMENTS (Including decrease in fair value of \$26,833 in 2014 and \$20,820 in 2013) (NOTE 5)	\$184,382		\$120,408
	TOTAL OTHER ASSETS	\$7,621,951		\$9,175,272
TOTAL ASSETS		\$8,489,871		\$10,115,044
LIABILITIES & NET ASSETS				
CURRENT LIABILITIES	ACCOUNTS PAYABLE & ACCRUED EXPENSES	\$21,592		\$18,371
	TOTAL CURRENT LIABILITIES	\$21,592		\$18,371
NET ASSETS	UNRESTRICTED NET ASSETS	\$8,468,279		\$10,096,673
	TOTAL NET ASSETS	\$8,468,279		\$10,096,673
TOTAL LIABILITIES & NET ASSETS		\$8,489,871		\$10,115,044

STATEMENTS OF FINANCIAL POSITION

• SEE NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30		2015	2014
REVENUES & OTHER SUPPORT	CONTRIBUTED SERVICES (NOTE 6)	\$32,348	\$74,454
	MISCELLANEOUS INCOME	\$166,219	\$178,708
	TOTAL REVENUES & OTHER SUPPORT	\$198,567	\$253,162
EXPENSES	PROGRAM SERVICES (NOTE 1)		
	ENTERPRISE STUDENT FELLOWSHIPS	\$1,246,701	\$1,248,798
	ENTERPRISE FACULTY FELLOWSHIPS	\$1,575	\$54,682
	ENTERPRISE INTERN FELLOWSHIPS	\$221,361	\$169,729
	TOTAL PROGRAM SERVICES	\$1,469,637	\$1,473,209
	MANAGEMENT & GENERAL	\$121,087	\$158,678
	TOTAL EXPENSES	\$1,590,724	\$1,631,887
CHANGE IN UNRESTRICTED NET ASSETS BEFORE REALIZED & UNREALIZED GAINS (LOSSES) ON INVESTMENTS		(\$1,392,157)	(\$1,378,725)
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS		(\$236,237)	\$558,655
CHANGE IN NET ASSETS		(\$1,628,394)	(\$820,070)
NET ASSETS, BEGINNING OF YEAR		\$10,096,673	\$10,916,743
NET ASSETS, END OF YEAR		\$8,468,279	\$10,096,673

STATEMENTS OF FINANCIAL POSITION

• SEE NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30		2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES				
CHANGE IN NET ASSETS				
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		(\$1,628,394)		(\$820,070)
REALIZED & UNREALIZED (GAINS) LOSSES ON INVESTMENTS		\$236,237		(\$558,655)
CHANGES IN OPERATING ASSETS & LIABILITIES:	ACCRUED INTEREST & DIVIDENDS RECEIVABLE	(\$6,835)		(\$5,023)
	PREPAID EXPENSES & OTHER ASSETS	(\$22,597)		(\$69,379)
	ACCOUNTS PAYABLE & ACCRUED EXPENSES	\$3,221		\$1,741
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(\$1,418,368)		(\$1,451,386)
CASH FLOWS FROM INVESTING ACTIVITIES				
PURCHASES OF INVESTMENTS		(\$2,678,222)		(\$2,988,775)
PROCEEDS FROM MATURITIES OF INVESTMENTS		\$131,072		\$810,255
PROCEEDS FROM SALES OF INVESTMENTS		\$3,864,234		\$3,849,290
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		\$1,317,084		\$1,670,770
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(\$101,284)		\$219,384
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR		\$800,378		\$580,994
CASH & CASH EQUIVALENTS, END OF YEAR		\$699,094		\$800,378
SUPPLEMENTAL CASH FLOW DISCLOSURES:	INTEREST EXPENSE PAID	\$--		\$--
	INCOME TAXES PAID			
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:				
There were no noncash investing and financing activities during 2013 and 2012.				

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2015 & 2014

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 FACULTY FELLOWSHIPS

a program for business faculty at selected universities in Central Asia to further develop their teaching skills, knowledge, and course curriculum; thereby benefiting the current and future students who will be the region's business leaders; and,

(3) 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 and Unrestricted Revenue and 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.

NOTE 2

SUMMARY OF SIGNIFICANT

ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE- Accounts receivable are stated at the amount management expects to collect from outstanding balances. 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 accounts receivable. No allowance for doubtful accounts was considered necessary at September 30, 2015 and 2014.

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, 2015 and 2014.

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 will be 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 State of New Hampshire tax returns of the Foundation are subject to examination, generally for three years after they are filed. The Foundation does not believe that there are any uncertain tax positions taken in preparation of the tax returns that would impact these financial statements.

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. For the years ended September 30, 2015 and 2014 amounts for certain contributed services meeting the criteria for recognition under this standard have been reflected in the Statement of Activities (see Note 6).

NOTE 3

FAIR VALUES OF ASSETS

Effective October 1, 2008, the Foundation adopted Statement of Financial Accounting Standards, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles. This standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The standard also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

1. **MARKET APPROACH** - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pric-

ing guides, sale transactions, market trades, or other resources;

2. **COST APPROACH** - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

3. **INCOME APPROACH** - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is

discounted at an appropriate market interest rate.

For the year ended September 30, 2015, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at September 30, 2015.

Fair values for investments and hybrid financial instruments are determined by reference to quoted market prices and other relevant information generated by market transactions.

DESCRIPTION	FAIR VALUES	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS	SIGNIFICANT OTHER OBSERVABLE INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS
		(LEVEL 1)	(LEVEL 2)	(LEVEL 3)
EQUITIES	\$4,307,835	\$4,307,835	--	--
STRUCTURED INVESTMENTS	\$184,382	\$184,382	--	--
FIXED INCOME	\$3,129,734	\$3,129,734	--	--
TOTAL	\$7,621,951	\$7,621,951	--	--

NOTE 4 INVESTMENTS

Investments consist of the following at September 30:

	2015		2014	
	COST	FAIR VALUE	COST	FAIR VALUE
EQUITIES	\$3,970,528	\$4,307,835	\$4,572,218	\$5,232,035
FIXED INCOME	\$3,172,613	\$3,129,734	\$3,815,059	\$3,822,829
TOTAL	\$7,143,141	\$7,437,569	\$8,387,277	\$9,054,864

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

	2014	2013
INTEREST & DIVIDEND INCOME	\$166,219	\$178,708

NOTE 5 HYBRID FINANCIAL INSTRUMENTS

The Foundation's Structured Investments contain multiple derivatives. GAAP allows entities to elect fair value measurements on an instrument-by-instrument basis for certain financial instruments in which a derivative would otherwise have to be bifurcated. This investment decreased in value by \$10,618 and \$26,833 during the years ended September 30, 2015 and 2014, respectively. These decreases in net value are included in the change in net assets.

NOTE 6 CONTRIBUTED SERVICES

The fair value of contributed services, recorded in the accompanying statement of activities and changes in net assets, consists of accounting, management and program services and totaled \$32,348 for the year ended September 30, 2015 and \$74,454 for the year ended September 30, 2014. 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 7 CONCENTRATIONS OF CREDIT RISK & MARKET RISK

The Foundation maintains cash balances comprised of bank deposit accounts and a money market fund account which are insured by the Federal Deposit Insurance Corporation. At times balances may exceed insured limits. There were no bank deposits in excess of insured limits at September 30, 2015 and 2014.

At September 30, 2015 and 2014 the Foundation maintained investments in a brokerage account. The value of these investments exceeded the custodial credit risk coverage provided by the Securities Investor Protection Corporation by \$7,768,005 and \$9,437,064 at September 30, 2015 and 2014, respectively.

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, 2015, the Foundation has not experienced any losses in such accounts.

NOTE 8

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

NOTE 9

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 \$782,864 grant award for Enterprise Student Fellowships and a \$239,836 grant award for Enterprise Intern Fellowships to be paid in 2016.

NOTE 10

ENTERPRISE STUDENT FELLOWSHIPS

FUTURE COSTS

Under its Enterprise Student Fellowship program, during the year ended September 30, 2015, the Foundation awarded 30 new Student Fellowships and renewed 95 Student Fellowships for the 2015 academic year. During the year ended September 30, 2014, the Foundation awarded 29 Student Fellowships and renewed 92 Student Fellowships for the 2014 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: \$1,095,298 in 2016, \$895,635 in 2017, \$618,124 in 2018 and \$359,972 in 2019. Using a discount rate of 3.0% the Foundation estimates the present value of the program cost to continue these awards for the academic years 2016 through 2019 to be approximately \$2,876,913.

NOTE 11

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through February 4, 2016, which is the date the financial statements were available to be issued. There were no material subsequent events at February 4, 2016 that require disclosure in the financial statements.



KIMEP FELLOWS FROM LEFT TO RIGHT: **YULIYA DAVYDENKO & MALIKA ORAZYMBETOVA (FRONT); AYNA ANNAORAZOVA & GOZEL ILMURADOVA (BACK)**

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STEPHEN WEINROTH, U.S.-CAEF PRESIDENT,
& RABIYA BAISUBANOVA, PROGRAM
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COVER IMAGE: (FROM LEFT TO RIGHT) CAPSTONE INTERNS 2015 VALENTINA KHOMENKO, AMANTUR TYNBYBEKOV & NASIBA NURMATOVA
(PHOTO BY THE WASHINGTON CENTER)