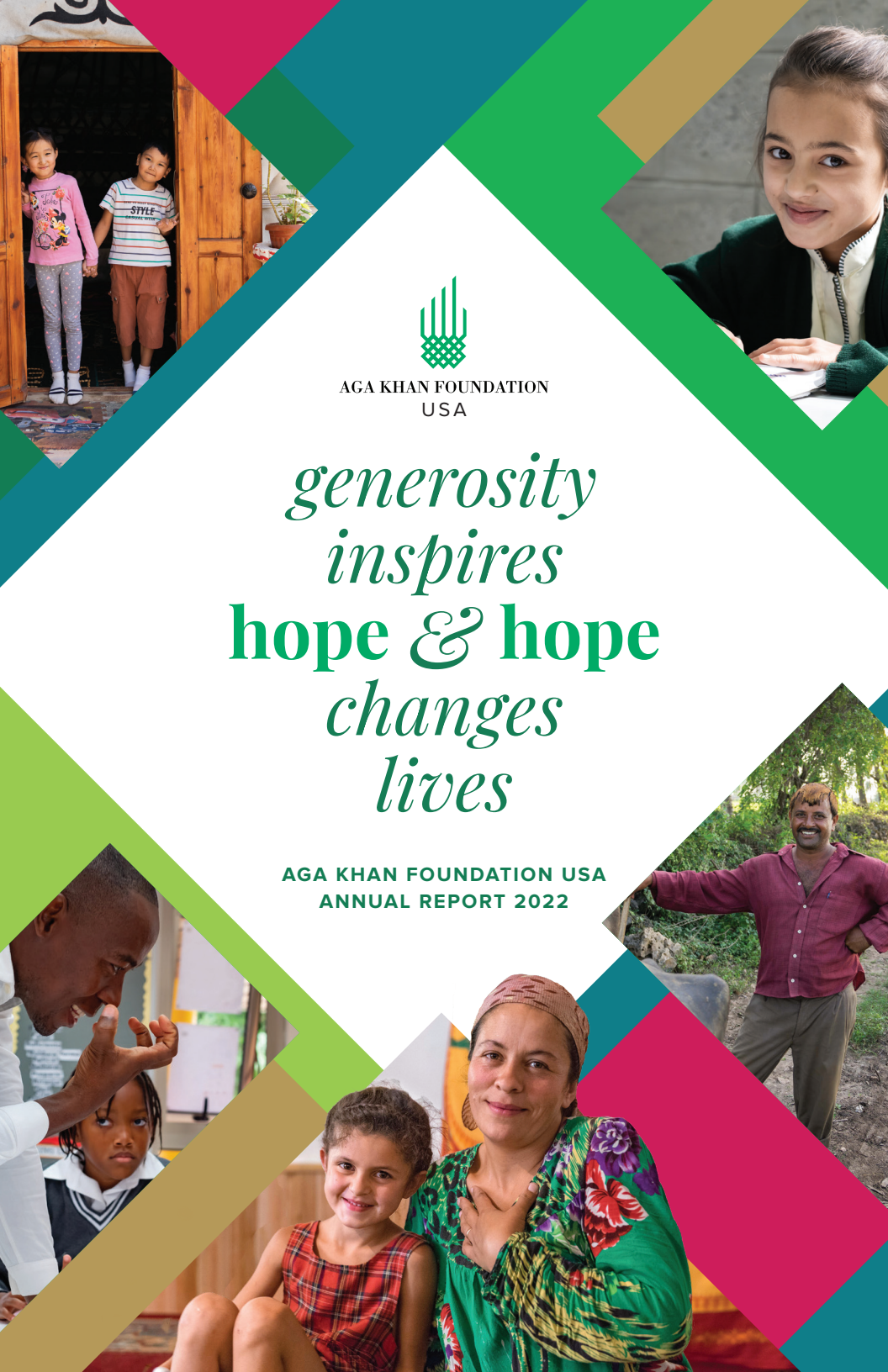




AGA KHAN FOUNDATION
USA

*generosity
inspires
hope & hope
changes
lives*

AGA KHAN FOUNDATION USA
ANNUAL REPORT 2022





A Note from the National Committee

Dear Friends,

In this year's Annual Report, we take a moment to both share the significant progress we have made over the last 12 months and also look ahead to future opportunities.

In 2022, we witnessed significant challenges, including economic uncertainty, conflict, and ongoing climate volatility for many of the countries in Africa, Asia, and the Middle East where our programs are present. AKF, together with its partners in the broader Aga Khan Development Network (AKDN), has sought to be a pillar of support to communities in need, while helping them identify and pursue pathways for improved opportunities. Despite these uncertainties, our U.S. volunteers, donors, and sponsors stayed the course to successfully bring in the much-needed funds that help keep our programs strong and stable.

In the following pages, you will see program highlights illustrating how your support is changing lives: from establishing access to safe water, to providing better education, to helping communities build sustainable food security.

You will also see two new projects that are being launched in 2023. One program, supported by the Bill & Melinda Gates Foundation, aims to bring essential services to 400,000 people in remote regions of Afghanistan. The second, a partnership with the U.S. Agency for International Development (USAID), identifies and addresses education challenges throughout Central Asia.

None of this work would be possible without your enduring commitment to our vision for shared humanity.

Sherina Ebrahim
NATIONAL COMMITTEE CHAIR

Zahid Rahimtoola
NATIONAL COMMITTEE
VICE CHAIR

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Board of Directors

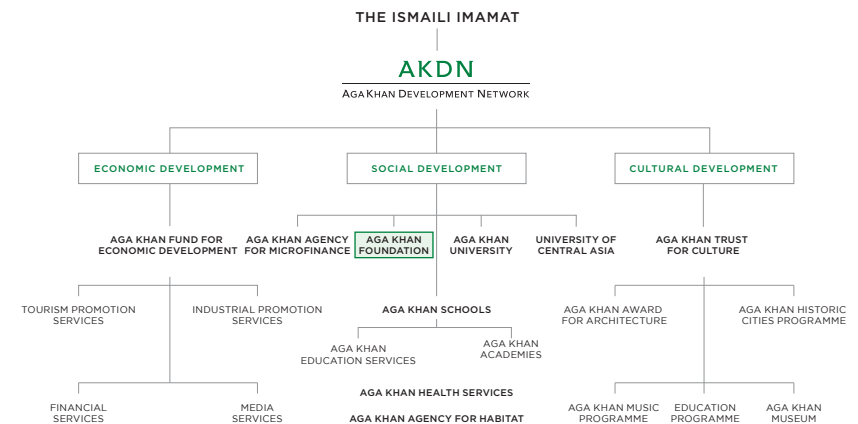
His Highness the Aga Khan
 Prince Ayn Aga Khan
 Princess Zahra Aga Khan
 Prince Rahim Aga Khan
 Jane Piacentini-Moore
 Alan Abela

National Committee

Sherina Ebrahim, Chairperson
 Zahid Rahimtoola, Vice Chairperson
 Al-Karim Alidina
 Ali Aljundi
 Shaiza Damji
 Farida Khemani
 Mahmood Khimji
 Aleem Remtula
 Nageeb Sumar
 Farrukh Valliani



The Aga Khan Foundation: An Agency of the AKDN Network



AKF is an agency of the Aga Khan Development Network (AKDN), one of the world's largest development organizations.

Collectively, the AKDN is a powerful vehicle for change having longstanding relationships with government agencies, communities, and local leaders.

Each year AKF, the collaborating agencies of the AKDN, and legions of steadfast supporters work to improve the quality of life for tens of millions of people.





Resource Development

BUILDING FOR SUSTAINED SUCCESS BASED ON HISTORIC PERFORMANCE.

Giving to AKF means investing in lasting change for many communities, including those that live in the most remote regions across Africa, Asia, and the Middle East.

One hundred percent of donations received go directly toward programs that are building blocks for enduring positive change. This long-term development approach enables local institutions to support permanent civil societies for generations to come.

This year's fundraising efforts, fueled by over 200 volunteers and generous supporters, were unprecedented. Following a two-day training conference, regional teams went on to hold 13 major events across the country.

AKF uses this support for programs, developed independently or in collaboration with other agencies, foundations, or local governments, in these essential areas: Education, Health & Nutrition, Civil Society, Work & Enterprise, Agriculture & Food Security, Climate Resilience, and Early Childhood Development.

Moving forward, AKF's resource development team is seeking to explore fundraising programs that will expand our donor base and establish more sustainable revenue streams.

Planned & Legacy Giving

The Planned and Legacy Giving Program is a special initiative launched in 1993.

Donor engagement was made possible through over 20 awareness sessions held across the country with over 60 volunteers.

PLG funds are used to make long-term investments in building permanent institutions for healthcare, education, and economic development to positively impact communities today and for generations to come.

For more information on Planned and Legacy Giving, visit www.akfusa.org/plg.



Global Program Highlights

CREATING BRIGHTER FUTURES

THRIVE TAJIKISTAN

Thrive Tajikistan is a five-year, \$20 million program launched in 2018, expanding the partnership between USAID and AKF to improve the quality of life for people in 16 mountainous districts along the country's border with Afghanistan.

One of the main goals was to strengthen local governance in remote communities to improve their resource management and service delivery.

Thrive Tajikistan increased access to both drinking water and sanitation facilities for the communities. Previously, the villages' women spent a portion of their day traveling over rocky terrain to carry water back to their homes.

A primary achievement of the project was the construction of 14 water systems connected to modern sanitation facilities which supply services to 42,000 people.

In the final year of implementation, Thrive Tajikistan handed over the systems to the local people and trained communities to operate and maintain all water infrastructure, ensuring the sustainability of these added resources.



YETU MEANING 'OURS'

The Yetu Initiative is a nine-year Global Development Alliance launched in October of 2014 between USAID and AKF.

This program in Kenya, named for the Kiswahili word for "Ours," encourages civic organizations to work together to develop solutions for their most pressing issues and encourage participation from women and young people.

The program, which ends in 2023, has achieved these results:

- Enabled more than 80 Kenyan civic organizations to launch financial appeal campaigns raising over \$2.2M for vital local programs.
- Improved the knowledge and skills of over 230 organizations in local fundraising.
- Established a coalition of over 650 local community groups and businesses to pool expertise and resources.
- Developed and launched a local philanthropy platform to encourage giving from within Kenya and East Africa.



SCHOOLS2030

Schools2030 is a ten-year education improvement program based in 1,000 government schools across ten countries: Afghanistan, Brazil, India, Kenya, Kyrgyzstan, Pakistan, Portugal, Tajikistan, Tanzania, and Uganda. AKF is one of the founding donors and is the designated Schools2030 Global Program Secretariat. AKF is also the implementing partner in nine of ten Schools2030 countries.

The project, launched in 2020 and continuing through 2030, focuses on the key educational milestones of students at ages five, ten, and fifteen years old.

Schools2030 supports teachers in creating educational experiences that are modern and relevant to students' lives outside the classroom using a three-step process of:

- Assess – Identifying visible gaps in the current learning landscape.
- Innovate – Co-designing reasonable and low-cost ways to address these gaps.
- Showcase – Sharing solutions at local, national, and global levels.

By giving teachers a wide-reaching platform to share their ideas with other teachers, Schools2030 has created a global teaching think-tank to bring the best educational practices to the most marginalized learners worldwide.



Two New Initiatives Launching This Year

AKF is proud to share two of our latest projects, supported through U.S. partnerships, one in healthcare and one in education.

NEW NUTRITION PARTNERSHIP WITH THE BILL & MELINDA GATES FOUNDATION

This 18-month project, supported by the Bill & Melinda Gates Foundation, aims to provide critical nutrition and immunization services to underserved people in Takhar, Baghlan, and Kundoz, located in the hard-to-reach areas of Afghanistan.

An important aspect of this project, which hopes to reach over 400,000 individuals, is to vaccinate against polio, which is on the rise in these remote areas.

To get services to these communities, AKF is assembling healthcare teams and supplying them with motorbikes, a cost-effective strategy that has previously worked well in places not accessible by larger vehicles.

IMPROVING LEARNING OUTCOMES FOR CENTRAL ASIA

AKF is proud to be launching an education initiative with RTI International, funded by USAID, called Improving Learning Outcomes for Asia (ILOA). In this project, AKF will complete a comprehensive assessment of the current education landscape in Central Asia.

AKF was selected as a partner in this initiative for several reasons:

- First, USAID and RTI International have been long-standing partners of AKF on many global projects and have seen first-hand our success using AKF's locally led collaborative approach.
- Secondly, this project will rely on AKF's deep roots, established trust, and extensive relationships in the project's selected communities. In fact, many working on the effort are local people living in each area, an approach AKF follows whenever possible.
- Finally, another AKF initiative, Schools2030, has been recognized globally for its innovative effort to increase the quality of education in marginalized areas. The 10-year program was featured at the United Nations and has gained accolades from education leaders.

The ILOA study will examine all stages of education from pre-school to university level. Once complete, additional project phases will be added to address any challenge areas identified.



AKF USA's Strong Financial Footing

AKF has a proud record of using funds wisely and effectively, for programs that have a direct and long-term impact on the communities being served.

Organizational operating expenses are funded by sponsorship income, and recoveries from federal and other institutional grants.

No donations from individuals, foundations, or corporations are used for operating expenses.

The financial results reflected here are derived from the AKF USA audited consolidated financial statements.

AKF USA is a non-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Service code.

AKF USA's financial statements are audited by BDO USA, LLP, which is available for review at AKF USA's office or AKF USA's website.

AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021

Dollars in Thousands

ASSETS	2022	2021
Cash and cash equivalents	\$28,606	\$49,338
Notes receivable	14,190	14,707
Investments	186,428	176,988
CSV of deferred gift policies	32,391	30,615
Accounts receivable and other current assets	1,981	1,902
Donor agency receivables	3,096	2,440
Receivables from affiliates	3,219	3,681
Contributions receivable, net	73,221	98,640
Right of use assets ¹	2,304	-
Fixed assets, net ²	222,968	136,274
TOTAL ASSETS	\$568,403	\$514,584
LIABILITIES	2022	2021
Accounts payable and accrued liabilities	\$14,938	\$7,393
Lease liabilities—right of use assets ¹	2,431	0
Payable to affiliates	11,318	9,677
Deferred rent	-	108
Refundable Advances	698	990
TOTAL LIABILITIES	\$29,385	\$18,168
NET ASSETS	\$539,018	\$496,415
TOTAL LIABILITIES AND NET ASSETS	\$568,403	\$514,584

Notes:

- Office building lease capitalized as right of use assets and lease liabilities under new accounting standard ASC 842 adopted effective 2022
- Fixed assets increase due to gifting of nonfinancial assets (land and building) and construction work in progress for two properties



AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021

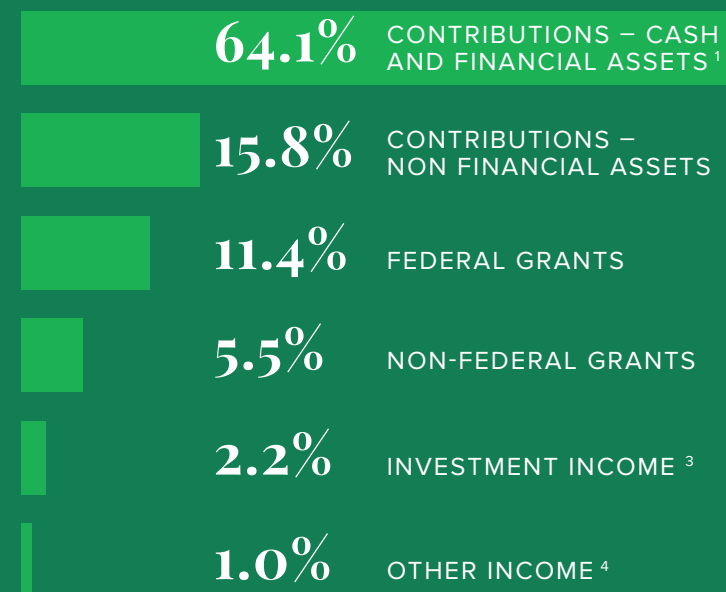
Dollars in Thousands

REVENUES	2022	2021
Contributions – cash and financial assets ¹	\$55,676	\$67,894
Contributions – non financial assets ²	13,754	-
Federal grants	9,898	7,824
Non-federal grants	4,759	4,922
Investment income ³	1,947	(1,011)
Other Income ⁴	871	(120)
TOTAL REVENUES	\$86,906	\$79,509
EXPENSES	2022	2021
International Programs ⁵	\$37,252	\$42,463
Community Centers Development (U.S.)	2,033	2,482
Management and General	992	1,168
Fundraising ⁶	2,281	1,396
TOTAL EXPENSES	42,558	47,509
Impairment loss on FMFB investment ⁷	(1,745)	0
TOTAL EXPENSES AND LOSS	44,303	47,509
CHANGE IN NET ASSETS	\$42,603	\$32,000
Net assets at beginning of year	496,415	486,178
Net assets at end of year	\$539,018	\$464,415

Notes:

1. A special fundraising campaign in 2021 resulted in increased pledges, which was not the case in 2022
2. Non financial assets include contributed land and building to be used as community centers
3. Investment income increased due to climbing interest rates in 2022
4. Other income increased mainly due to higher increase in cash surrender value of insurance policies net of premium paid
5. International Program expenses decreased in the year 2022 as compared to 2021 due to higher COVID-19-related expenses in 2021
6. Increase in Fundraising expenses is mainly due to in person events organized during the year
7. Impairment loss recognized on equity investment in First MicroFinanceBank during the year 2022

2022 SOURCES OF FUNDS



2022 USES OF FUNDS



Learn more about our work in
Asia, Africa, and the Middle East by
visiting our website **www.akfusa.org**



Find us at **facebook.com/akfusa**

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AGA KHAN FOUNDATION

The Aga Khan Foundation USA is a non-denominational, non-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.