A Sustainable Vision for a Better World
Dear Friends,

With your generous support, the Aga Khan Foundation celebrated a remarkable year in 2016.

It was a year of remarkable progress in providing quality education, more equitable and accessible healthcare, new economic opportunities, and more vibrant civil societies — all cornerstones of thriving communities. You directly helped farmers in West Africa have more income security, entrepreneurs in Afghanistan start businesses, and schoolchildren in Central Asia access education — all ways people can build better futures for themselves and their communities.

Every dollar that you contribute is leveraged 4 to 8 times through matching grants from leading donor agencies, amplifying the impact of every donation. Your generosity allowed us to enhance our programs working with agencies of the U.S. government, foundations and corporate partners.

In the following pages, we are inspired to share with you exactly how your donations help communities in Africa and Asia work to improve their quality of life. Here we share stories that show how our work aligns with the vision of a brighter future, in line with the United Nations and all the organizations dedicated to ending poverty through the Sustainable Development Goals (SDGs). The SDGs are a global movement that we are proud to be a part of as we work together with people like you to achieve the 17 goals that will improve the quality of life for everyone. I invite you to consider these snapshots alongside the ambitious goals, for a vivid view of what your donations catalyze. We will unveil more stories about our work with the SDGs over the next year; visit our website and follow along on social media for more.

We thank you for all you have done to make this possible. Together we can tackle these ambitious goals for a world we all can cherish.

Aleem Walji
CHIEF EXECUTIVE OFFICER
About the United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs), sometimes called the Global Goals, are a worldwide call to action to break the cycle of poverty and ensure all people can meet their potential. This concept was started at a United Nations meeting where world leaders came together to dedicate themselves to achieving these goals by 2030.

For 50 years, the Aga Khan Foundation, part of the Aga Khan Development Network, has been working to do that. When you join us by partnering, donating, sponsoring, or volunteering, you’re joining a global movement and building a better future for all.
The Aga Khan Foundation is working to make the goals a reality.

The 17 goals offer a big-picture vision for improving the quality of life. The top goal—#1—is to end poverty.

Poverty is a complex problem, and we make progress when we integrate efforts from all sectors. That is why at the Aga Khan Foundation, we work with communities and partners on innovative programs that improve the quality of life, from early childhood development to clean water.
Stories of the Goals in Action

This report is a snapshot of our work, focusing on three of those goals.

Goal 3
Health & Well Being
Ensure healthy lives and promote well-being for all at all ages

“Compared to giving birth at home, childbirth at the health center is much more comfortable and has little risk.”

RONA’S STORY PAGE 9

Goal 4
Quality Education
Ensure inclusive and quality education for all and promote lifelong learning

“Our daycare should provide enough space for children to play freely.”

MARGARET’S STORY PAGE 14

Goal 6
Clean Water & Sanitation
Ensure access to water and sanitation for all

“At the beginning many of them think that it will be expensive and is not that important—but I tell them about my experience and how it’s made our lives much better.”

GAURI’S STORY PAGE 19
GOAL 3

Health & Well-Being
Ensuring healthy lives and promoting well-being

Goal 3 sets out ambitious targets to ensure healthy lives and promote well-being for all at all ages. The Aga Khan Development Network is committed to helping to meet those targets.

In many areas where we work, access to quality, affordable healthcare is a major challenge. This challenge is especially acute for mothers in remote rural areas, where it can often take days of difficult travel to reach the nearest hospital. To address this, we train local women to become midwives, help set-up networks of health workers who can visit remote areas, and support local clinics to meet quality standards.

SUSTAINABLE DEVELOPMENT TARGETS

- Reduce the global maternal mortality ratio to less than 70 per 100,000 live births
- End preventable deaths of newborns and children under 5 years of age
- Ensure universal access to reproductive health-care
Our Impact

Afghanistan has just 2 doctors for every 10,000 people.

AKDN’s health system provides quality primary health care to over 1.6 million Afghans every year.

Worldwide, AKDN reaches 5 million patients every year, including community health programs and outpatient visits.
Rona’s Story

New mothers in isolated rural communities in Afghanistan have few chances for help or healthcare. In a village in northern Afghanistan near the Tajikistan border, Rona Gul, a 25-year-old mother of four children, sought help. She was pregnant with her fifth child and wanted to prevent the bleeding and pain that she had experienced during childbirth before.

She found community health workers made regular visits to her village, and trained women in ways to improve health and nutrition. “After coming to the training I visited the clinic for regular check-ups,” Rona said, “which I did not do before. And this time I gave birth at the clinic. I didn’t suffer the same problems that I faced during childbirth at home.”

That kind of prenatal care and attention make a big difference in improving mother and child survival and health. Since 2004, the Aga Khan Development Network has trained over 400 midwives in Afghanistan. Since 2003, maternal deaths during childbirth have dropped from nearly 2% to less than 0.4% in 2015. Visiting the clinic with her two-month-old baby, Rona was pleased with her daughter’s healthy check-up report. She adds, “Compared to giving birth at home, childbirth at the health center is much more comfortable and has little risk.”

This program is made possible by the generous support of the American people through the United States Agency for International Development (USAID) and the Aga Khan Foundation.
Healthy lives begin at the Bamyan maternity ward

On the opening day of a hospital built and run with the support of the Aga Khan Development Network, 12 women arrived in labor. In the past this might have overwhelmed the resources in this remote location. Instead, the new maternity ward enabled the skilled doctors and midwives to deliver 12 healthy babies for 12 healthy mothers.

See the facility, meet the doctors, and watch how two lives were saved that day.

Watch: Health has a new home: A new life begins
GOAL 4

Quality Education
Inclusive and quality education for all

Goal 4 sets high standards to ensure inclusive and quality education for all and promote lifelong learning.

For nearly 100 years, the Aga Khan Development Network has been working to ensure access to quality education. In light of recent research showing the impact of a child’s earliest days on their life, early child development has become an area of focus for our work. Built on independent research, we work with our partners on trainings that help parents and teachers ensure they are providing the best care for a child, develop quality standards for early childhood education, and connect healthcare systems with schools, ensuring children grow up healthy.

SUSTAINABLE DEVELOPMENT TARGETS

Ensure that all children have access to quality early childhood development, care and preprimary education

Build and upgrade education facilities that are child, disability and gender sensitive and provide safe and effective learning environments for all

Substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries
Our Impact

In the first 1,000 days of life, the brain develops **700 neural connections per second** and by age five, roughly **90 percent of brain development** is complete.

Every year AKDN ensures that **750,000 young children** have access to a good start in life through its Early Childhood Development programs.

Globally, the AKDN serves over **2 million students** ranging from early childhood to university degrees.
GOAL 4: QUALITY EDUCATION

Nairobi, Kenya

Margaret’s Story

Building Brighter Futures is a program supporting innovative early child care in the poorest neighborhoods of Nairobi. A partnership funded with a grant from the Conrad N. Hilton Foundation, the program aims to make daycare engaging and meaningful for children at the earliest ages.

Research shows that a child’s earliest years can have a lifelong impact. Providing stimulation like play-based learning for young children from 0 to 3 years old is crucial. Children in low-income families are often at risk of missing that stimulation. “Our daycare should provide enough space for children to play freely,” says Margaret Gibson, care provider. Her children also get regular visits from a health professional. “When they come to visit, they check on the health, the growth, the development of the child.”

Building Brighter Futures ensures that children get high-quality attention that’s affordable. The program provides teacher training, business development, and more. The project has also made a significant impact nationally by encouraging the Kenyan government to update their early child policy to include an integrated approach and ensure quality standards for all daycare centers.
Building a Brighter Future for Vulnerable Children

Margaret was able to access knowledge and resources to make her daycare an enriching environment through one of AKF’s innovative partnerships. The Aga Khan Foundation’s partners in the Babycares Consortium include local organizations like the social enterprise Kidogo and the Daraja Civic Initiatives Forum, as well as scholarly expertise from Aga Khan University Institute for Human Development. The project also leveraged funding from the Conrad N. Hilton Foundation.

Watch Margaret and other caregivers tell their stories, see the children and daycares helped and learn more about this collaboration.

Watch:
Babycares Consortium: Building a Brighter Future for Vulnerable Children
GOAL 6

Clean Water & Sanitation
Adequate and equitable sanitation and hygiene for all

Goal 6 aims to ensure everyone has access to clean water and sanitation.

The Aga Khan Development Network is a pioneer in water sanitation and hygiene programs, which help improve the health and quality of life for communities across the countries we work in. Improving sanitation goes beyond building toilets and wells; it requires fully engaged communities who change longstanding habits. By working hand-in-hand with local communities and our partners, AKDN develops programs that make long-lasting change.

SUSTAINABLE DEVELOPMENT TARGETS

Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

Implement integrated water resources management at all levels

Support and strengthen the participation of local communities in improving water and sanitation management
GOAL 6: CLEAN WATER & SANITATION

Our Impact

Worldwide over 946 million people lack any sanitation facilities.

In India, the government aims to build 120 million toilets by 2019.

AKDN, a partner in that effort, helps families access funding for toilet construction and develops the skills and market for building toilets.

Each year, the AKDN helps 1.3 million people access safe drinking water, sanitation, and sewage facilities.
Gauri’s Story

In 2014, the government of India set an ambitious target: eliminate defecation in the open by 2019. Gauri Behen is a village health worker in Nathej village in Gujarat. Toilets are rare in her village and personal sanitation is a daily problem, especially for girls. Gauri and her three daughters never had a toilet at home. Going outside, harassment from men was often a problem.

When Gauri’s daughters were young, she would walk with them to go where it was safe. As her daughters reached adolescence Gauri took action: she built a toilet with support from the Aga Khan Agency for Habitat.

“For a long time I thought that it would require a lot of space and be very costly,” she said. At meetings with AKAH she learned how toilets could be cheap to build and long-lasting.

Having a toilet in the home has made a huge difference. Now when people visit her health center, she says, “I tell them about my experience and how it’s made our lives much better.”

Gauri’s story is part of a larger AKDN project that is improving sanitation in India. It is expected to benefit one million people and contribute to the goal of making India free from open defecation.
GOAL 6: CLEAN WATER & SANITATION

Nathej, Gujarat, India

Empowering communities to improve sanitation

Stories like Gauri’s are only possible if citizens understand the benefits of toilets and have the money, skills, and materials to build them. The Aga Khan Development Network’s multi-input approach works to address all of these factors.

- 620 households used community-based interest-free loans in advance of a government subsidy to construct toilets
- 4,000 units constructed after an education campaign of community meetings, street plays, and murals increased interest in sanitation
- 601 masons were trained to ensure workers able to construct toilets to meet government guidelines are available in rural areas
- 100 thousand households and 538 schools are being facilitated in improving water, sanitation, and hygiene

CHILDREN SING ABOUT SAFE SANITATION
INTERVIEW WITH MASON AUDESH KUMAR
SHANTI DEVI TALKS ABOUT THE IMPACT OF TOILETS ON HER COMMUNITY
GOAL 6: CLEAN WATER & SANITATION

Nathej, Gujarat, India

Comprehensive Water & Sanitation Initiative in Action

Watch: AKDN Comprehensive Water & Sanitation Initiative

Watch an overview of the entire sanitation project, and meet more of the people who are making their villages cleaner, safer and healthier. This playlist includes interviews and shows the places where this initiative is changing lives.
Our Supporters
Local Action for Global Impact

Our volunteers across the country are an invaluable source of awareness and support for our work across Africa and Asia. In 2016 our volunteers broke another record in fundraising by raising $13.5 million. 100% of donations went to AKF programs to improve quality of life and break the cycle of poverty.
In 2016 we launched #humansoftheworld, a series of inspiring stories that embody the commitment to build a better future both in the communities where we work and among donors who help make that work possible. These stories unite our volunteers, donors, and community partners.

One story featured newlyweds Shehzaan and Zainab Chunara. They generously dedicated their wedding gifts to Aga Khan Foundation, and in October they joined a trip to Tajikistan to meet the communities we have worked closely with for over two decades. They reflected on the Aga Khan Development Network’s impact through their impressions from meeting with people. For their story and others in the series, please visit www.akfusa.org/our-stories.
FINANCIALS, PARTNERS, LEADERSHIP AND STAFF

Behind the Scenes
A strong year for a growing organization

The Aga Khan Foundation U.S.A.'s overall FY 2016 financial performance continued to be strong. Operating expenses are funded by grants from His Highness the Aga Khan and sponsorships apart from those recovered indirectly from federal grants. No donations from individuals, foundations or corporations are used for operating expenses.

The financial results depicted here are derived from the AKF USA audited consolidated financial statements, performed by BDO USA, LLP. AKF USA’s complete audited statement is available at our website in the “About Us” section.

Noordin Moloo

CHIEF FINANCIAL OFFICER

AKF USA is a non-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Service code. We are proud to have a 4-star rating from Charity Navigator, America’s largest independent evaluator of charities.

NOTES
1. Donations made to AKF USA are generally tax-deductible.
2. AKF USA accepts unconditional donations. Decisions about allocation of resources are made by the Foundation’s Board of Directors.
3. Operating expenses are funded from grants from the Foundation’s affiliates and other sources of income. Donations from individuals and corporations are not used for this purpose.
4. In conformity with accounting principles generally accepted in the United States of America, this report include contributions pledged by individuals and corporations but not yet received.
5. AKF USA’s financial statements are audited by BDO USA, LLP, which is available for review at AKF USA’s office or AKF website.
## Statement of Financial Position

**AS OF DECEMBER 31, 2016 AND DECEMBER 31, 2015**

Dollars in Thousands

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
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<td>$29,822</td>
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<tr>
<td>Investments</td>
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<td>Notes Receivable</td>
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<td>Accounts receivable</td>
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<td>130</td>
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<td>and other current assets</td>
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<td>Donor agency receivables</td>
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<td>4,566</td>
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<td>Receivables from affiliates</td>
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<td>4,362</td>
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<td>Contributions receivable, net</td>
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<td>12,051</td>
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<td><strong>FIXED ASSETS</strong></td>
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<tr>
<td>Property held for charitable purposes</td>
<td>94,387</td>
<td>93,689</td>
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<tr>
<td>Other fixed assets</td>
<td>23</td>
<td>23</td>
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<tr>
<td>Less accumulated depreciation</td>
<td>(20,111)</td>
<td>(18,637)</td>
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<td><strong>Fixed assets, net</strong></td>
<td>74,299</td>
<td>75,075</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>$174,582</td>
<td>$169,931</td>
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### Liabilities

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<tr>
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<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
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<td>$3,656</td>
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<td>Payable to affiliates</td>
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<td>2,572</td>
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<tr>
<td>Deferred Rent</td>
<td>83</td>
<td>57</td>
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<tr>
<td>Deferred revenues</td>
<td>3,496</td>
<td>2,268</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>6,526</td>
<td>8,554</td>
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### Net Assets

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<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Assets</strong></td>
<td>168,056</td>
<td>161,377</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$174,582</td>
<td>$169,931</td>
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</table>
## Statement of Financial Activity

AS OF DECEMBER 31, 2016 AND DECEMBER 31, 2015

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<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$26,793</td>
<td>$30,090</td>
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<tr>
<td>Federal grants</td>
<td>13,323</td>
<td>19,978</td>
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<td>Other grants</td>
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<td>2,519</td>
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<td>Investment income</td>
<td>409</td>
<td>(474)</td>
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<td><strong>TOTAL REVENUES</strong></td>
<td>$41,839</td>
<td>$52,113</td>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Program grants</td>
<td>28,073</td>
<td>41,294</td>
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<tr>
<td><strong>GENERAL AND ADMINISTRATIVE EXPENSES</strong></td>
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<tr>
<td>Salaries</td>
<td>2,747</td>
<td>2,629</td>
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<td>Legal, accounting and consulting</td>
<td>192</td>
<td>131</td>
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<tr>
<td>Travel</td>
<td>145</td>
<td>167</td>
</tr>
<tr>
<td>Doubtful pledges provision</td>
<td>(51)</td>
<td>245</td>
</tr>
<tr>
<td>General office</td>
<td>222</td>
<td>305</td>
</tr>
<tr>
<td>Taxes &amp; Licenses</td>
<td>621</td>
<td>1,141</td>
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<tr>
<td>Premises</td>
<td>355</td>
<td>245</td>
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<tr>
<td>Communications</td>
<td>150</td>
<td>188</td>
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<tr>
<td>Total general and administrative expenses</td>
<td>4,381</td>
<td>5,052</td>
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<tr>
<td>Fundraising</td>
<td>1,232</td>
<td>1,153</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,474</td>
<td>1,486</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>35,160</td>
<td>48,984</td>
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<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
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<td></td>
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<tr>
<td>Net assets at beginning of year</td>
<td>161,377</td>
<td>158,247</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$168,056</td>
<td>$161,377</td>
</tr>
</tbody>
</table>
Financial Activity

Sources of Funds
- Contributions: 64%
- Federal Grants: 32%
- Other Grants: 3%
- Investment Income: 1%

Uses of Funds
- Program Grants: 83%
- General and Admin: 13%
- Fundraising: 4%
Institutional Partners

Each year, government agencies, private foundations, corporations and individuals join with Aga Khan Foundation to support communities across Africa and Asia to build better futures together.

The Foundation’s efforts would not be possible without their support. For a list of our partners and supporters, please visit www.akfusa.org/about-us/supporters/
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Maître André Ardoïn
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See our website for full staff list:
http://www.akfusa.org/about-us/staff/
Thank you for your support in creating a brighter future!