





Peace through education, one child at a time.



Dear Friends of CAI,
I write to you with a positive report and message to accompany our 2014 financial statements. In 2013/2014 we have made impressive changes and improvements to international operations, and made progress in our projects and programs. These improvements have not come without challenges.

Changes in the external operating environment, in Afghanistan and Pakistan especially, required CAI to examine its international operations and make the changes needed to cope with a deteriorating operating environment. In 2013/2014 we made some of the most essential changes, and in 2014/2015 there will even more improvements.

In Afghanistan, two of the new unity government's highest priorities are to expand government support of education and clean up corruption. CAI strongly supports both of these new government initiatives. Consequently, in fiscal year 2013/2014, CAI began a new era of cooperation with the Afghan government. With the help of the Afghanistan Ministry of Education and the Afghanistan Ministry of Economics, CAI is continuing to make schools safer, more secure, and improve sanitation.

Strained relations between the governments of the United States and Pakistan has created problems for many US-based NGO's that give grants to nonprofit organizations in Pakistan. In order to improve these strained relations, CAI established the Central Asia Education Trust (CAET), headquartered in Islamabad, Pakistan. The establishment of a domestic trust reassures the Pakistani government of our long-term commitment to the region. Though the trust will receive its funds through CAI-USA, the use of these funds will be monitored

and reported to the Pakistan government domestically by CAET. The net result of the reorganization of CAI's international operations is that they are much more compatible with desires of the local governments, without requiring CAI-USA to completely relinquish control.

But re-organizing is also not enough to sustain the international operations CAI supports. Just like the CAI operations in the USA, CAET in Pakistan and CAI- Afghanistan need to increase their own capacity to attract funders. In 2013/2014 we began a process to help our international partners prepare for both individual donor solicitation and charitable foundation grant solicitation. In 2014/2015 this effort is continuing.

Throughout 2013/2014 we received and communicated a steady stream of good news on every front. Our management teams at CAI-USA, CAI-Afghanistan, and CAET were also expanded and improved upon. New essential personnel in each organization are coming up to speed.

In addition to these operational improvements, fiscal year 2013/2014 brought an upward trend in donations that continues in the current year. We have diversified our fundraising plan and in turn have been successfully gaining new donors and engaging lapsed supporters. We are confident that our growth will continue. Thank you for your support as we move forward on this journey together.

Sincerely,

STEVE BARRETT



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CAI at work

Central Asia Institute initiates and supports education programs in remote mountain villages of Pakistan, Afghanistan, and Tajikistan. CAI has two purposes: 1. to promote and support education in remote mountain communities of Central Asia; and 2. to educate the public about the importance of these educational activities. CAI-supported programs include school building, scholarships, teacher support, public health, women's vocational & literacy centers, and global outreach.

SCHOOL BUILDING, MAINTENANCE, EQUIPMENT AND SUPPLIES

CAI provides funds to build new schools and improve existing structures (repairs, maintenance, additions, toilets, and boundary walls). Each project involves local people in all phases: initiation, implementation, and sustainability. CAI also provides ongoing support for schools including student and teacher supplies, uniforms, furniture, and equipment.

VOCATIONAL AND LITERACY CENTERS

CAI provides funds to build and support women's vocational centers that provide skill training, equipment, and materials. We also support literacy centers, where female students of all ages get free lessons in basic literacy, hygiene, sanitation, nutrition, and money management.

TEACHER SUPPORT

CAI provides funds for teachers' salaries and training.

COMMUNITY PROGRAMS

Other projects are occasionally funded by CAI. These projects include bridges, porter trainings, and museums.

PUBLIC HEALTH

CAI provides funds to help communities improve and sustain public health and their environments. We do this through funding clean drinking water, maternal healthcare, nutrition and hygiene awareness, and disaster relief projects.

GLOBAL OUTREACH

CAI promotes awareness of the importance of education, literacy, and cross-cultural understanding via our

website, public events, publications, Pennies for Peace, and the books *Three Cups of Tea* and *Stones into Schools*.

SCHOLARSHIPS

CAI awards primary, secondary, and advanced-education scholarships.



INTERNATIONAL PARTNERS

■ AFGHANISTAN

Central Asia Institute Afghanistan

Director: Abdul Wakil Karimi

Program locations: Kabul

www.cai.org.af

Star of Knowledge

Director: Muhammad Nadir Hanifi

Program locations: Badakhshan, Baghlan, Ghazni, Kabul, Kapisa, Khost, Kunar, Laghman, Logar, Nangrahar, Paktia, Panjshir, Parwan, Urozgan, Wardak

Marcopolo Social Services and Reconstruction Organization

Director: Jan Agha Jaheed

Program locations: Badakhshan, Tarkhar

www.marcopolo.org.af

■ TAJIKISTAN

Central Asia Institute Tajikistan

Director: Mahbuba Qurbonalieva

Program locations: Gorno-Badakhshan Autonomous Oblast

■ PAKISTAN

Central Asia Educational Trust

Director: Shakir Ali

Azad Jammu Kashmir Program Manager: Fozia Naseer

Baltistan Program Manager: Mohammad Nazir

Program locations: Islamabad, Azad Jammu Kashmir,

Baltistan, Punjab

www.caet.org.pk

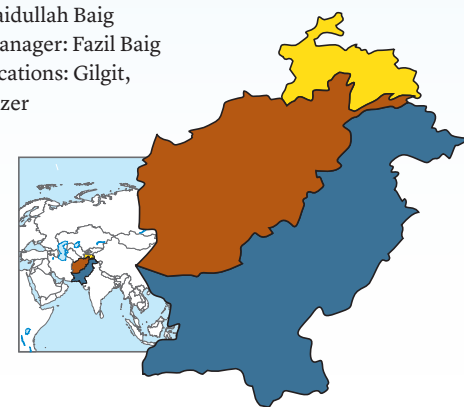
Central Asia Institute Gilgit

Director: Saidullah Baig

Program Manager: Fazil Baig

Program locations: Gilgit,

Hunza, Ghizer





CAI project areas

NUMBER OF SCHOOLS AND PROJECTS SUPPORTED BY CAI:

The information provided here is current as of May 2015 and is subject to change. Please review CAI's Master Project List on www.ikat.org for the most current information.

PROJECTS BY COUNTRY	PAKISTAN	AFGHANISTAN	TAJIKISTAN	TOTAL
SCHOOLS BUILT BY CAI	92	94	4	190
SCHOOLS SUPPORTED BY CAI	41	54	0	95
VOCATIONAL & LITERACY CENTERS	29	19	1	49
COMMUNITY PROGRAMS	8	4	0	12
PUBLIC HEALTH PROGRAMS	26	7	2	35
SCHOLARSHIP PROGRAMS	5	3	1	9
TEACHER SUPPORT PROGRAMS	11	0	1	12
TOTAL	212	181	9	402



Pennies for Peace

Pennies for Peace is a fun service learning program that educates children about how they can make a positive impact on a global scale, one penny at a time. Participants become philanthropists by collecting pennies to donate toward educational programs while also broadening their cultural horizons.

In Afghanistan, Pakistan, and Tajikistan, just a few pennies can buy a pencil, open the door to literacy, and change a life.

The program comes with a free toolkit (dvd or download) that includes standard-aligned K-12 curriculum for teachers.



Pennies for Peace by the numbers:

7,327

Total P4P campaigns

\$7,030,786

Total raised by P4P campaigns

**50 States
31 Countries**

have participated in Pennies for Peace.



Financial Highlights

2014 Donations to CAI

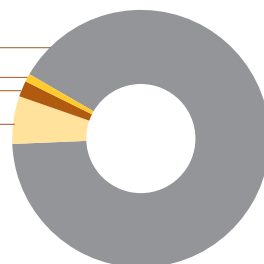
Central Asia Institute received approximately \$2.2 million in donations during FY 2014. Of that amount, 85% was spent on programs.



CAI Funding Sources

Individual	91%
Foundation	1%
Corporation	2%
Organization	6%

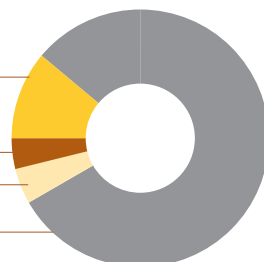
SEPTEMBER 30, 2014



CAI Functional Expenses

General and administrative	12%
Fundraising	3%
Global outreach	6%
International programs	79%

SEPTEMBER 30, 2014



As a 501(c)(3) nonprofit organization, CAI is dedicated to sound fiscal management, transparency, and accountability. Policies and procedures are developed to employ best business practices. CAI holds its responsibility to its supporters as critical to our mission so that multitudes of children and generations of people may benefit over the long term.



Central Asia Institute

Statement of Activities. Year Ended September 30, 2014

CAI's financial statements have been audited by independent certified public accountants and are available on our website, www.ikat.org.

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Revenues and Support			
Contributions and related event revenue	\$1,810,667	\$410,731	\$2,221,398
Sales of merchandise	\$13,553	—	\$13,553
Investment income, net	\$249,026	—	\$249,026
Other income	\$27,975	—	\$27,975
Insurance proceeds	\$1,200,000	—	\$1,200,000
Revenue and support before net assets released from restrictions	\$3,301,221	\$410,731	\$3,711,952
Net assets released from restrictions	\$410,731	\$(410,731)	—
Total revenues and support	\$3,711,952	—	\$3,711,952
Expenses			
Program services			
Global outreach program	\$521,940	—	\$521,940
Overseas education and projects	\$7,442,084	—	\$7,442,084
Total program services	\$7,944,024	—	\$7,944,024
Support services			
General and administration	\$1,137,072	—	\$1,137,072
Fundraising	\$286,025	—	\$286,025
Total expenses	\$9,367,121	—	\$9,367,121
Change in Net Assets	\$(5,655,169)	—	\$(5,655,169)
Net Assets, Beginning of Year	\$20,153,421	—	\$20,153,421
Restatement	\$63,580	—	\$63,580
Net Assets, Beginning of Year as restated	\$20,217,001	—	\$20,217,001
Net Assets, End of Year	\$14,561,832	—	\$14,561,832



Educate a Girl. Change the World.™

Voices of CAI

- “As a college student in this day and age, it is so easy to forget what a privilege it is to be a literate female able to choose to pursue higher education in any given field of study. I completely agree that education is the key to solving most, if not all, of our planet’s problems. Thank you for empowering generations of children!”
- “I am [an] 18 year old teenager [from] Swabi, Pakistan. The roots of education are bitter, but the fruit are sweet. I want to help too. I want to be useful to my country. I want to do something for the development of my beautiful homeland. Thanks for showing me the right path.”
- “When one sees all the chaos that goes on in the world, it is reassuring to know that there are people working for sanity and peace.”
- “I am impressed that CAI has accepted responsibility for the past . . . learned from mistakes . . . and is determined to continue with the goal of empowering through education. The infusion of a new management team coupled with the spirit and experience of those who started this noble journey can only mean success for CAI.”



OUR MISSION: Central Asia Institute (CAI) empowers communities of Central Asia through literacy and education, especially for girls, promotes peace through education, and conveys the importance of these activities globally.

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U.S. IRC § 501(c)(3)
EIN: 51-0376237

 **CAI Communiqué Blog:** ikat.org/cai-communique
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