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Islamic Relief USA

Annual Report

2007



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## About Us

Islamic Relief USA is a non-profit 501(c)(3) humanitarian organization, incorporated in the state of California in 1993. As an international relief and development organization, Islamic Relief strives to alleviate the poverty and suffering of the world's poorest people.

With the help of fundraising and field partners around the world, Islamic Relief operates in more than 35 countries around the world, with a wide variety of projects in the following sectors:

- Sustainable Livelihoods
- Education
- Health and Nutrition
- Orphan and Child Welfare
- Water and Sanitation
- Emergency Relief and Disaster Preparedness

## Mission

Islamic Relief strives to alleviate suffering, hunger, illiteracy, and diseases worldwide regardless of color, race, religion, or creed, and to provide aid in a compassionate and dignified manner. Islamic Relief aims to provide rapid relief in the event of human and natural disasters and to establish sustainable local development projects allowing communities to better help themselves.

Islamic Relief considers the trust of its donors to be priceless and as a result, Islamic Relief holds itself to the highest of standards. For the fifth consecutive year, Islamic Relief has been awarded a 4-star rating from Charity Navigator, America's premier charity evaluator.



“Only 3% of the charities we’ve rated have received at least 5 consecutive 4-star evaluations, indicating that Islamic Relief USA outperforms most charities in America in its efforts to operate in the most fiscally responsible way possible. This ‘exceptional’ designation from Charity Navigator differentiates Islamic Relief USA from its peers and demonstrates to the public it is worthy of their trust.”

-Charity Navigator, April 30, 2008

Islamic Relief will always remain committed to using the hard earned donations of our supporters to help those less fortunate in the most efficient way possible.

## As-salaamu Alaykum wa Rahmatullah

(May the peace and mercy of God be upon you)

For many of us living in the United States, it can be difficult to relate to and sympathize with those struggling half a world away. But what needs to be remembered is that as human beings, no matter how far the distance between us, we all have the same basic needs to survive.

Food, water, shelter, and education are all essential to an individual's growth and overall well-being. These needs become even more important when considering the impact they have on an entire community.

This is why Islamic Relief works closely with communities to assess individual and group needs before implementing projects. Working hand-in-hand with the community not only ensures that our projects are relevant and lasting for the future, but it encourages individuals in the community to come together and foster good working relationships, while in the process strengthening the community from within.

Whether it's through education, healthcare, water and sanitation, income generation, or orphan support, Islamic Relief's community-based approach doesn't just help communities survive, but inspires them to thrive.

As you'll read about in this Annual Report, 2007 was a year of growth and development for Islamic Relief. Not just in our donations and project scope, but in the communities we work in as well. All around the globe, Islamic Relief's projects this past year have brought countless numbers of people together to better themselves and their communities.

I pray that this trend continues and I thank you, our volunteers, donors, partners, and supporters for your help in this positive change. It is with the blessings of God and your continued and generous support that Islamic Relief is able to further the important work of serving the world's poorest people.

Sincerely,



Anwar Ahmad Khan  
Interim General Manager



# Clean Water Allows Healthier Lives

For years, villagers in the mountains of West Java, Indonesia have been faced with no other option than to drink dirty, contaminated water. Islamic Relief's water projects in 2007 have provided close to 16,000 people with clean water for drinking and hygiene.

*“ We are really proud that we are able to have this scheme through Islamic Relief with our contribution. This is our project, although initiated by Islamic Relief, but we feel that it is our project. ”*

*- Hajji Rahman,  
Indonesia*







# Improving Orphan Housing

Over 80 percent of Islamic Relief's sponsored orphans in Kosova live in homes damaged by conflict. Islamic Relief grants small, interest-free loans to conflict-affected families to rebuild their damaged homes, providing sponsored orphans a better place to live.

*When Hyzri was four, his father was killed and his home severely damaged during the war. After Hyzri was sponsored through Islamic Relief's One-to-One Orphan Sponsorship, Hyzri's mother was not only able to afford the family expenses but applied for a housing loan as well. With the loan, Hyzri's family was able to repair the home's bathroom and have clean running water back in the house.*

# Harvesting Income and Nutrition

Despite good harvests in 2007, fears of food shortages loomed throughout large parts of Niger and Mali. As part of Islamic Relief's income generation projects in the region, local gardening projects were established to encourage communities to grow a variety of vegetables, ensuring families a more balanced diet and a steady source of income.

*“ Today some ladies can even read and write because Islamic Relief gave them training. We got training in reading and writing as well as how to care for our gardens and how to manage our savings. ”*

*– Hindi,  
Mali*



Six-year-old Mariam helps her younger sister Amal learn to cope with being deaf. Mariam who is also deaf receives regular help through Islamic Relief's Early Intervention and Rehabilitation Center in Egypt.



# Caring for Disabled Children in Egypt

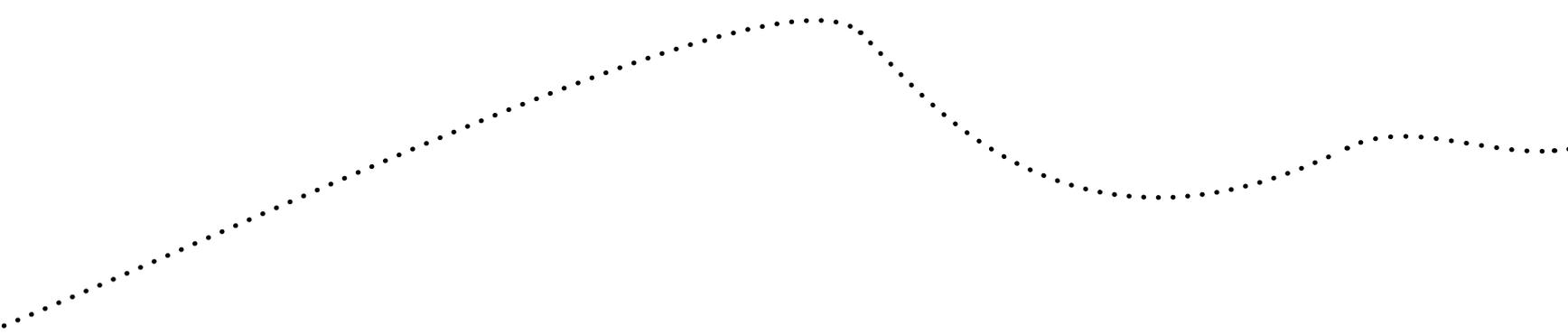
In Egypt, more than 4 million children suffer from some form of mental or physical disability. Islamic Relief's Early Intervention and Rehabilitation Center (EIRC) in Egypt provides direct multidisciplinary care for disabled children which includes speech and physiotherapy, family guidance and counseling, and community education.

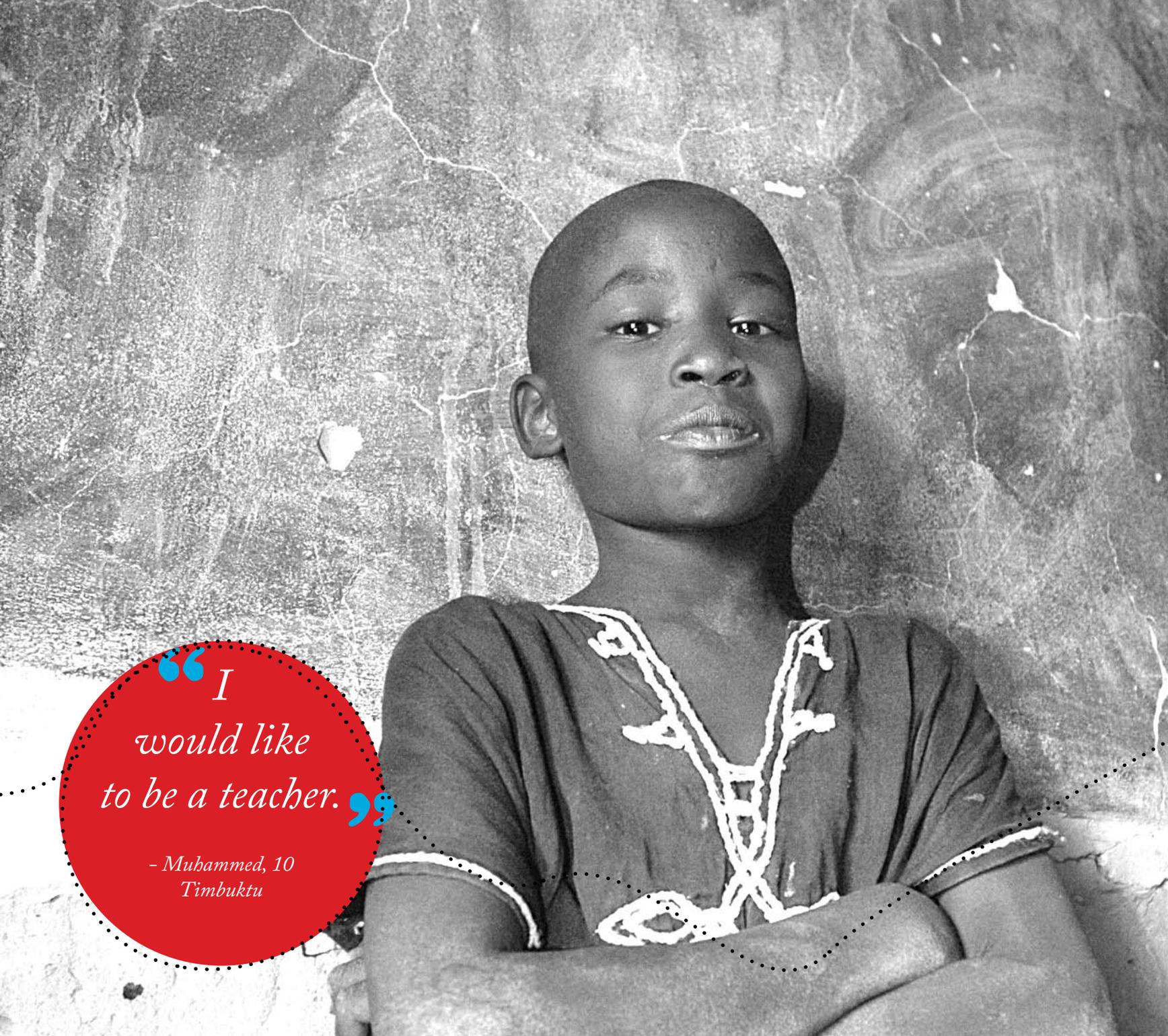
*“My life and the life of my family have completely changed. It's not just about attending sessions, it's the guidance and the help [Islamic Relief] gives us to accept our children, know their abilities, to be proud of them and introduce them to people with pride and love.”*

*– Mother of a disabled child,  
Egypt*

# Feeding the Need for Education

In Gourma Rharous, Timbuktu, an estimated 90 percent of the population is illiterate. Islamic Relief's Education for All project in Gourma Rharous provides more than 18,900 people with adult literacy programs, school feedings, construction and rehabilitation and teachers training.





“ I  
would like  
to be a teacher.”

- Muhammed, 10  
Timbuktu





# Cyclone Sidr Devastates Bangladesh

Nearly nine million people were affected and left homeless, squatting along roadsides in desperate need of emergency aid. During the initial response phase, Islamic Relief provided over 60,200 families with vital emergency relief.

*On the night of the cyclone, Maqsuda, her husband and their seven children were inside their house. The 155 mph winds caused extensive damage, uprooting trees which crushed the family's home, forcing them to flee to their grandmother's house nearby. Today, nothing remains of their two-roomed house but its foundations. Soon after the disaster Maqsuda received a food parcel from Islamic Relief which helped sustain the family for the first three weeks following the cyclone.*

## Reviving Banda Aceh

Three years after the tsunami, Islamic Relief continued to provide survivors in Indonesia with permanent housing, new schools, revived markets, livelihood trainings, health clinics and access to clean water.

*Abdul Munir not only lost his wife and two children when the tsunami hit the coastline of Aceh but also his home. In January of 2007, Abdul Munir moved into his eldest son's new home built by Islamic Relief. Now Abdul Munir once again has a roof over his head and fishes to feed his family. Sometimes there is enough for him to sell. Slowly but surely, Abdul Munir is regaining the life he once had.*





# Pakistan Development Provides for the Future

In 2007 alone, Islamic Relief's projects benefitted more than 700,000 people throughout Pakistan-administered Kashmir, Baluchistan, and the North West Frontier Provinces with healthcare, education, water and sanitation, orphan sponsorships, income generation, and more.

*“ People did not know about or carry out vaccinations before Islamic Relief trained the community-based health workers. We are all very proud that we have managed to increase the numbers of people who have had a tetanus vaccination. ”*

*– Rangeela, Islamic Relief trained community health worker, Pakistan*

# Sustainable Solutions for Baluchistan

Islamic Relief's long-term development in Baluchistan, Pakistan provides clean water, electricity, and income generation to drought-stricken areas; empowering people through community organizations and rebuilding infrastructure in flood-affected areas.

*“With the formation of the community organization we learned we can find solutions to our problems and help each other. We also learned about saving money for worse situations and for our community development.”*

*– Bibi Naaz,  
Baluchistan*







# Millions in Aid Helps Somalia

Plagued by conflict and natural disasters, hundreds of thousands of Somalis live in devastation. Working with world partners, Islamic Relief's gave millions in aid in 2007, helping to relieve suffering through emergency assistance, medical care, food, water, and shelter.

# Breaking the Silence on Islam and HIV/AIDS

Islamic Relief's five-day conference in South Africa brought together over 150 religious leaders, AIDS practitioners, and people living with HIV/AIDS to discuss and develop solutions for addressing and halting the spread of the disease in Muslim communities worldwide.

*It is time – and I hope it is not too late – that the Muslim community does something about the HIV pandemic. It is a duty, not an option to aggressively fight to stop the spread of HIV. It was essential that the scholars at the consultations saw the full scale of the problem and its depth in communities. The consultations were an eye-opening experience for many people. I believe that their attitudes have changed and they will now be more proactive in advocating for those living with HIV.*

*– Islamic Relief Representative*



Domestic  
Projects



P. A. L.  
IS DRUG FREE  
GET HIGH  
ON LIFE  
AN AWARENESS LABEL  
ON BAPTIST CHURCH  
MONTY ROUGE, LA

# Rebuilding After the Storm

For over two years after the worst natural disaster to ever strike the United States, Islamic Relief continued to care for victims of Hurricane Katrina with medical care and food aid. Islamic Relief's response provided over \$3 million in aid, benefitting more than 60,000 people.

*“ The church gave me furniture and money and food and when I got here [Baton Rouge] the Islamic Relief also helped me a lot with food and blankets and pots and toiletries, you know they helped me a lot, things I needed you know because sometimes money was short but it always came, things that I needed I always got it. ”*

*– Miss Elouise Kensey,  
Louisiana*

# Singing to Save Children

With an audience of more than 11,000 people across five states, the 2007 Evening of Inspiration Concert raised \$1 million to benefit child victims of humanitarian crises around the world.

*“ Unlike typical fund-raising dinners, benefit concerts open doors to communities that nonprofit aid organizations wouldn't be able to reach otherwise. ”*

*- Anwar Ahmad Khan,  
Interim General Manager,  
Islamic Relief*







# Lifting the Spirits

Helping to relieve the burden of being homeless in America, close to 4,000 volunteers across 19 cities throughout the United States worked with Islamic Relief to serve thousands of unprivileged families during Islamic Relief's domestic Ramadan food distribution event by providing food, hygiene kits, toiletries, clothing, health screenings, and more.

## More than Just Meat

Thanks to the support of our generous donors, Islamic Relief provided over 40,000 pounds of Udhiyah/Qurbani meat to less fortunate people in the United States, building on partnerships with local communities and facilitating access to resources to further help American families pull themselves out of poverty.

*“ We want to give this food to anyone in need. We want to give it to food banks, to shelters, and to others without discrimination so that God willing, we can help everyone that we can. ”*

*- Munir Iqtish,  
Former Development Coordinator,  
Islamic Relief*



# Islamic Relief

*A Worldwide Leader in Alleviating Poverty*





## The Gift of Food

For many poor people, the chance of eating meat is nothing more than a far off dream. In 2007, Islamic Relief distributed more than 71,000 meat packages for Udhiyah/ Qurbani, benefitting more than 1.5 million people worldwide including widows, the disabled, refugees, the poor, and orphans.

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\*Udhiyah/Qurbani is an Islamic religious practice performed at the time of Eid al-Adha (the 10th day of the Islamic month of Dhu al-Hijjah) involving the slaughtering of an animal; usually a sheep, goat, or cow. The event commemorates the devotion and commitment of Prophet Abraham (peace be upon him) to Allah. The meat is slaughtered according to Islamic guidelines and then distributed to the poor.

# A Month of Giving

While Muslims around the world observed their fasts from dawn till dusk throughout the holy month of Ramadan, donors gave over \$7 million, allowing Islamic Relief to feed more than 800,000 people in 25 countries worldwide.

*“The Ramadan packages really help. When you have food shortages throughout the whole year but in Ramadan you have a packet that provides you with your basic needs, it makes a difference.”*

*– Reda,  
Egypt*



الإسلامية - مصر

عطاء بلا حدود

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
Islamic Relief-USA

We have audited the accompanying statement of financial position of Islamic Relief – USA (the “IRUSA”), a nonprofit organization, as of December 31, 2007, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of IRUSA’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IRUSA as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

*Quezada & Company*

Pasadena, California  
July 10, 2008



STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2007

*Assets*

Cash and cash equivalents	\$10,557,027
Investments	\$139,832
Accounts receivable	\$676,842
Other assets	\$96,225
Property and equipment, net of accumulated depreciation of \$341,258	\$237,267
 Total Assets	 \$11,707,193

*Liabilities & Net Assets*

Liabilities

Accounts payable	\$813,284
Accrued expenses	\$440,647
Total Liabilities	\$1,253,931

Net Assets

Unrestricted	\$4,836,307
Temporarily Restricted	\$5,616,955
Total Net Assets	\$10,453,262
 Total Liabilities and Net Assets	 \$11,707,193



STATEMENT OF ACTIVITIES  
DECEMBER 31, 2007

	Unrestricted	Temporarily Restricted	Total
<b>Support</b>			
Contributions	\$8,339,783	\$11,016,997	\$19,356,780
Special event	\$372,186		\$372,186
In-kind contributions	\$40,882,847		\$40,882,847
	\$49,594,816	\$11,016,997	\$60,611,813
<b>Revenue</b>			
Interest and dividends	\$2,746		\$2,746
Unrealized gain on investments	\$423		\$423
Other income	\$743		\$743
Total Revenue	\$3,912		\$3,912
Total support and revenue	\$49,598,728	\$11,016,997	\$60,615,725
Net assets released from restrictions	\$10,691,840	(\$10,691,840)	
Total Support and Revenue After Net Assets Released From Restrictions	\$60,290,568	\$325,157	\$60,615,725
<b>Expenses</b>			
Programs	\$57,607,179		\$57,607,179
Management and general	\$1,029,982		\$1,029,982
Fundraising	\$958,721		\$958,721
Total expenses	\$59,595,881		\$59,595,881
<b>Change in net assets</b>	\$694,687	\$325,157	\$1,019,844
Net assets, beginning of year	\$4,141,620	\$5,291,798	\$9,433,418
Net assets, end of year	\$4,836,307	\$5,616,955	\$10,453,262

**STATEMENT OF CASH FLOWS**  
DECEMBER 31, 2007

*Cash flows from operating activities*

Change in net assets	\$1,019,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	\$248,067
(Decrease) in assets:	
Accounts receivable	(\$382,796)
Other receivables	\$18,000
Other assets	(\$76,207)
Refundable deposit	\$395,000
Increase in liabilities:	
Accounts payable	(\$1,418,535)
Accrued expenses	\$211,957
Refundable Advance	(\$500,000)
Net cash provided by operating activities	(\$484,670)

*Cash flows from investing activities*

Acquisition of fixed assets	(\$77,546)
Increase in investments	(\$16,844)
Net cash used in investing activities	(\$94,390)
<i>Net increase in cash &amp; cash equivalents</i>	(\$579,060)

Cash and cash equivalents, beginning of year	\$11,303,561
Cash and cash equivalents, end of year	\$10,724,501





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