

Islamic Relief USA
2003 Annual Report

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Cover photo: Islamic Relief beneficiaries in Iraq.

Back page photo: A group of Afghan boys enjoy access to clean drinking water from a hand pump funded by Islamic Relief.

Islamic Relief USA representative Naeem Muhammad visiting an orphan in Mali sponsored by an Islamic Relief donor.



Striving for Excellence in Serving Humanity

As-Salamu 'Alaykum wa Rahmatullah

(May God's peace and mercy be upon all of you)

Dear Friends,

The year 2003 has seen the work of Islamic Relief Worldwide continue to expand into new areas, fulfilling our ongoing goal of maximizing the potential of people helping people.

In 2003, Islamic Relief Worldwide expanded its projects in Africa by establishing field offices in south Sudan for the first time. Sudan has very important significance for our organization, as it is the first country in which we established projects. We have remained committed to helping the people of Sudan, especially into 2004, when a new conflict arose in the western region of Darfur. Islamic Relief Worldwide also established a field office and began developing projects in Indonesia for the first time in 2003.

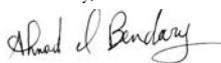
The main emergency in 2003 was the conflict in Iraq, which caused the long-suffering people of the country added grief. Islamic Relief Worldwide established many projects in Iraq to help the war-affected people, including rehabilitation of health centers, provision of emergency health kits, rehabilitation of schools, and a project to help Syrian refugees.

The year 2003 also saw Islamic Relief USA continue our commitment to the people of Palestine. Once again, our donors were extremely generous in supporting our emergency relief and long-term development projects in the conflict-ridden region.

Islamic Relief's goals are noble and ambitious, but they are far from unachievable. We sincerely believe that with the help of God, and by working as a global community, we can help alleviate poverty, diseases, and hunger; and help rebuild lives that were shattered by natural and man-made disasters.

This report is a summary of Islamic Relief USA's activities during 2003. We hope and pray that you continue to support our projects, as you always have, so that we can work together to achieve our mutual goals of helping the world's most disadvantaged people.

Sincerely,



Ahmad El Bendary

Executive Director and Chairman of the Board



Ahmad El Bendary visiting a beneficiary in China.

Islamic Relief USA Board of Directors

Ahmad El Bendary, *Chairman of the Board*
Executive Director of Islamic Relief USA
Burbank, CA

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Medical Doctor
Boston, MA

Hany El Banna
Medical Doctor, founder of
Islamic Relief Worldwide
Birmingham, United Kingdom

Saleh Saeed
Education Specialist
Birmingham, United Kingdom

A Letter from Hafsa: an Orphan in Kenya

// My name is Hafsa. I am a girl aged 13 years old. I am in standard 3 in primary school in 'Township primary school.' I also learn at Holy Qur'an school. I have learned up to *surat al-Fatir* (the chapter in the Qur'an entitled 'The Originator of Creation'). This is chapter 35 of the Noble Qur'an. I go to school at 7:00 every Monday to Friday. I like school but I like *madrassa* (traditional Islamic school) more.

I come from a family of five children. I lost both my father and my mother. My father died six years ago after one year illness. I have two sisters and two brothers. The youngest is three years old. We live with our uncle who is a teacher. My two grandfathers and two grandmothers are still alive. They have many many grandchildren.

My sponsorship has helped me get good education, clothes, and food. Our uncle takes care of us. Before my sponsorship, we were very poor. My mother used to sell firewood. We never had enough money. After the death of my mother, we are still going on well - *al-hamdulillah* (all praise belongs to God)!

When I grow up, I wish to be a nurse. I wish to help treat sick people. I saw my father and mother sick. I know it is painful. So I want to help sick people. //

Orphan Support

Millions of children around the world suffer from deprivation of one form or another, often as a result of conflict or disaster. Perhaps the most vulnerable of these children are the ones who have lost either one or both parents. Without education, healthcare, or training, they can be left disadvantaged for the rest of their lives.

With two types of orphan programs, a dedicated Islamic Relief department is responsible for the welfare of thousands of orphans worldwide. Islamic Relief's expansive projects stretch across the globe, providing much needed assistance to millions of families.

Islamic Relief Worldwide's popular One-to-One Orphan Sponsorship program connects donors to orphans in their home countries. Periodic reports and a picture of the orphan is sent to the donor. The donation, which can be monthly, or one lump sum for the entire year, provides social welfare, healthcare, educational support, and leisure activities for the orphan.

In addition to our One-to-One Orphan Sponsorship program, which currently has projects in 10 countries across the globe, we also have an Orphan General Fund. The Orphan General Fund is responsible for providing aid and assistance as well as providing better standards of living for orphans, their families, and the communities in which they live.

In 2003, Islamic Relief USA spent \$442,595 on Orphan General Fund projects and \$466,886 on One-to-One Orphan Sponsorship projects.

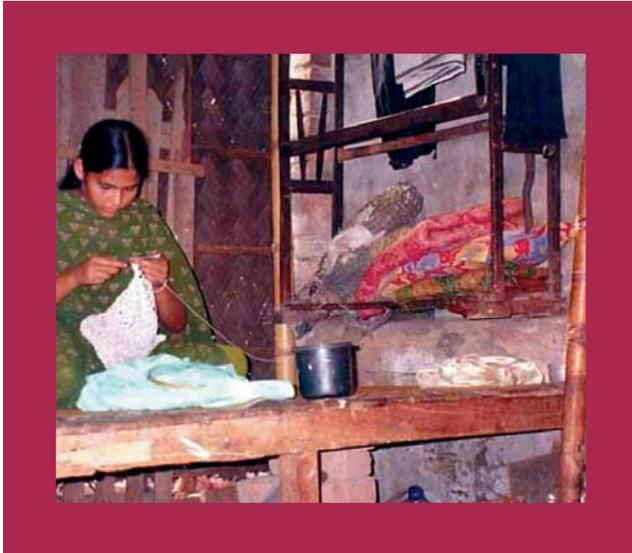


Children at an orphanage in Malawi

opposite page: Nazeer, an orphan in Sudan sponsored by an Islamic Relief donor.



Key to a Better Future



Mahbuba practices her needlework skills at home in Dhaka, Bangladesh.

PROJECT:

Vocational Training and Employment Support Service.

LOCATION:

Dhaka, Bangladesh.

AIMS:

To provide education and training in different trades to enable young people to earn a sustainable income and contribute to the economy.

Mahbuba had a difficult life, living in a poor area near Dhaka with her parents, two brothers and two sisters. Her family rarely had enough food to eat and there was little she could do to help. A turning point came in Mahbuba's life when Islamic Relief Worldwide opened a Vocational Training and Employment Support Service (VTESS) in the area. It was not easy persuading her parents to let her join, but Mahbuba was determined to take the opportunity to change her life.

At the VTESS center, Mahbuba has been training to develop skills that will enhance her ability to find employment. She is not required to pay any fees and is only required to attend three hours a day, leaving her enough time to fulfill her other duties.

From the very first day Mahbuba was admitted at VTESS, her life changed for the better. She has developed skills in needlework and now feels confident she can find employment and earn a living.

Mahbuba's dream is to become famous one day. Her concept of fame, however, is different than most. She is not interested in fame or glory, but rather, she only wants to be known as a successful Bangladeshi girl who is skilful and self-reliant. Perhaps Mahbuba's success can inspire other Bangladeshi girls to follow her example.

BENEFICIARIES:

Every year, hundreds of youth living in poor urban areas benefit from this project. With little or no education, they would otherwise be vulnerable to harsh, exploitative labor.

Education

Islamic Relief Worldwide has always placed a strong emphasis on education projects, aiming to eliminate illiteracy, help communities become self-reliant, and raise the standard of skills and education among future generations. Through building schools, training teachers, and providing educational materials, Islamic Relief Worldwide has invested in the future of thousands of children since our inception.

Islamic Relief USA funds several education projects across the world, including educational enhancement centers and computer training centers in the West Bank and Gaza Strip in Palestine. These projects help improve the quality of education for children in refugee camps, and helps re-integrate traumatized and injured children back into society. Islamic Relief USA also funds education projects in Afghanistan, Pakistan, Sudan, and Turkey.

In 2003, Islamic Relief USA spent **\$164,997** on education projects.



Street children in Afghanistan learn to paint as part of an education and training program.

Easing the Burden

Madina is in her late thirties and lives in Mazmum, a village in the North Kordofan area of Sudan. As well as taking care of her family, Madina also works as a midwife. Every day, her chores would involve walking to another village to collect water.

The journey took two hours and Madina would then have to walk back home, carrying enough water to meet her family's daily needs.

Madina's task was made a lot easier when Islamic Relief Worldwide began working in her village. As part of the North Kordofan Water Project, Madina's village was selected as one of the areas most in need. A hand-dug well was installed in collaboration with the local community who took great pride in helping dig the well and contribute to its maintenance. The villagers of Mazmum now have access to water that is clean and safe to drink.

The hand-dug well has made a huge difference to Madina's daily life and means she has more time to work and take care of her family. Just like Madina, tens of thousands of people in North Kordofan have benefited from the 50 or so wells that have so far been dug. One elderly farmer from the Um Nala village told Islamic Relief Worldwide that he wished he could personally thank the donors who have given him the gift of water. "Never mind," he added, "If God wills, I look forward to meeting them in heaven."

PROJECT:
North Kordofan Water Project.

LOCATION:
Um Dam, North Kordofan, Sudan.

AIMS:
To provide access to water and sanitation facilities complemented by hygiene promotion in order to prevent water-related illnesses and strengthen socio-economic conditions.

BENEFICIARIES:
Over 75,000 villagers have been helped so far. Those who benefit most are women and children upon whom the burden of collecting water usually lies.

Water and Sanitation

Clean water is a basic essential for life. Over one billion people worldwide, however, lack access to safe drinking water, and almost half the world's population lacks adequate sanitation. This situation affects their health, their environment, their basic dignity and their children's future. For some countries the problem is scarcity of water, while in others water is plentiful but of poor quality.

The World Health Organization reports that approximately 80% of all sickness and disease in the world is caused by inadequate water or sanitation. Water-related diseases cause 2.2 million deaths each year, mostly among children under the age of five.

Islamic Relief Worldwide operates several projects to improve water and sanitation in poor countries. Some of these projects include: digging wells and installing hand pumps to improve access to clean, safe water, building toilets for improved sanitation, and training local communities on how to maintain water and sanitation systems.

In 2003, Islamic Relief USA spent **\$83,116** on water and sanitation projects.



Afghan children enjoy access to clean water after the completion of the Karez Rehabilitation Project.

Professional Care for Children in Need

While immediate direct physical harm is the most obvious form of violence, indirect violence can often have a much more lasting social and psychological effect. Children are those most affected by the current conflict in Palestine. Many live with a constant feeling of insecurity and fear. Palestinian children suffer from inability to focus, as well as from anger, fear, panic attacks and nightmares. The Gaza Strip now has the highest rate of bed-wetting amongst teenagers in the world.

Many families are forced to leave their homes at night when the violence is most intense. Scenes of violence on television cause further psychological strains on Palestinian children. Symptoms such as nervous breakdowns, anxiety, insomnia, loss of appetite, vomiting, involuntary urination, breathing difficulties, high tension, rebelliousness and isolation have appeared amongst both adults and children.

In order to address the needs of the affected population, Islamic Relief Worldwide began operating the Integrated Care Program for Traumatized Children, which includes a wide-range of integrated care services, including:

- Psychiatric and Psychological Therapy
- Social and Community Integration Assistance
- Formal and Informal Educational Assistance
- Family Assistance
- A Community Center

This project, aimed at helping traumatized children become rehabilitated and re-integrated into the community, is led by a team of 11 specialists, including:

- Health Educators
- Psychologists
- Psychiatrists
- A Social Specialist
- Teachers

The professionals provide care, support and advice both to traumatized children and their families, parents and relatives, through workshops, organized field visits that follow up on the health, social welfare, and psychological state of the children. Informal education and other after school activities are offered to help children express themselves by drawing, painting, and theatrical activities. Home visits and healthcare services include provision of first aid material and training to families on how to assist traumatized relatives by examination and dressing of the physical places of injury. Transportation is made available to transport the victims to necessary locations for treatment and help. A social worker, a psychologist and a psychiatrist provide counseling and therapy to alleviate some of the symptoms of trauma including hyperactivity, aggressive behavior, and fear. Parents are also trained in how to assist in the psychological recovery of their children.



Beneficiaries of Islamic Relief Worldwide's project for traumatized children in Palestine.

Health and Nutrition

Everyday 30,000 children in the developing world die from preventable diseases. Basic medical care is beyond the reach of many of the world's poor, or is simply unavailable. Without vaccination, 3 million people a year die from illnesses such as tuberculosis, tetanus, measles, polio, and diphtheria.

Living in unhygienic conditions with little food and no clean water, millions of people are prone to malnutrition and other health-related illnesses. Poverty creates a vicious cycle where the weak and malnourished easily fall ill, while those already suffering from disease become especially vulnerable to severe malnutrition.

Islamic Relief USA funds many health and nutrition projects across the globe, including Afghanistan, Chechnya, Iraq, Kashmir, Pakistan, Palestine, and Sudan.

In 2003, Islamic Relief USA spent **\$172,549** on health and nutrition projects.

Investing in People

Wael is a 29 year-old qualified dentist. From his home in the Jabalia Refugee Camp in Gaza, Wael went on to graduate in Sudan with the help of his brothers and sisters. Coming from a poor refugee family, he was desperate to find work but had no luck for over three years.

Wael first heard about Islamic Relief's Small Business Loan Project in 2001 and immediately submitted an application. He outlined his plans to set up a dental clinic but had no means of raising the necessary funds. His dream was to establish a clinic in his home camp in order to help the refugee community.

Three years later, Wael is a successful dentist running his own clinic and earning enough to support himself and his elderly mother. Wael is now paying back his brothers and sisters who supported him throughout his studies. He has even been offered a part-time job, which means he can work two shifts and pay back his loans sooner.

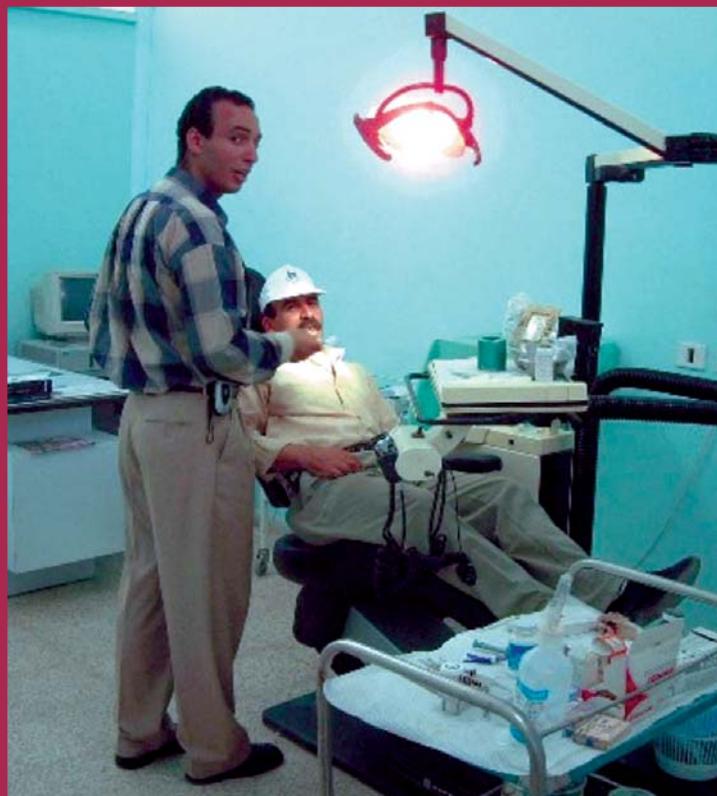
The refugee community of the Jabalia camp continues to encourage Wael in his work and many see him as a role model for aspiring professionals. Wael will never forget the help and support he received from his community and from Islamic Relief Worldwide.

PROJECT:
Small Business Loan Project.

LOCATION:
Gaza, Palestine.

AIMS:
To create employment and improve the standard of living within the Gaza strip through offering interest-free loans to help start up small businesses.

BENEFICIARIES:
The unemployed and those from low-income families who have no other means of generating a sustainable income.



Wael performs a dental check-up at his clinic in the Jabalia Refugee Camp in Gaza, Palestine.

Income Generation / Microcredit Loans

Food and aid distributions offer temporary respite, but unless people are given the means to lift themselves out of destitution, the aid will eventually run out, leaving only dependency.

Many of the beneficiaries of Islamic Relief Worldwide's Income Generation projects are rebuilding their lives after war or disasters in which they may have lost their home, family, and livelihood. The road out of poverty begins with the community itself. In order to become self-sufficient, impoverished people need improved resources and diversified skills.

Islamic Relief Worldwide aims to make a lasting difference in the lives of the poor by building the capacity of local communities to sustain themselves. Islamic Relief Worldwide provides training and Islamically acceptable loans enabling people to earn a better living, either by running small businesses or by seeking well-paid employment.

Several of our projects attempt to redress the gender imbalance by focusing on widows who have no source of income. The projects are also sustainable, as once the loans are repaid the money can be loaned out once more.

In 2003, Islamic Relief USA funded Income Generation Projects in Kashmir, Pakistan, and Palestine.

In 2003, Islamic Relief USA spent **\$22,414** on income generation projects.



The Worldwide Islamic Relief Family

Our Mission:

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

Islamic Relief Worldwide Permanent Projects

- Afghanistan
- Albania
- Bangladesh
- Bosnia
- Chechnya
- China
- Egypt
- Indonesia
- Iraq
- Jordan
- Kenya
- Kosova
- Mali
- Mauritius
- Pakistan
- Palestine
- Sudan
- Yemen

Islamic Relief Worldwide Seasonal / Emergency Projects

- Algeria
- Iran
- Madagascar
- Malawi
- India

Islamic Relief Worldwide Fund-raising Locations

- Belgium
- France
- Germany
- Holland
- Mauritius
- South Africa
- Sweden
- Switzerland
- United Kingdom
- United States

Islamic Relief USA is recognized as a 4-star charity by Charity Navigator, its highest rating. Charity Navigator is America's largest charity evaluator.

Islamic Relief USA is a member of the global Islamic Relief Worldwide family. Islamic Relief Worldwide is an international relief and development organization, dedicated to alleviating the suffering of the world's poorest people. Islamic Relief Worldwide has permanent locations in 28 countries worldwide.

Islamic Relief Worldwide is a member of the U.N. Economic and Social Council (special category), and is a signatory to the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief. It is committed to implementing the Code of Best Practice in the Management and Support of Aid, as stated by "People In Aid." Islamic Relief Worldwide always aims to meet U.N. standards in all of the projects it implements.

Islamic Relief Worldwide Partners

- UNICEF
- UNHCR
- WFP
- ECHO
- Oxfam
- Care
- DFID
British Department for International Development

Restoring Hope

The earthquake in Bam, Iran, was one of the worst humanitarian disasters in recent history, leaving over 40,000 dead, 30,000 injured and 75,000 homeless. Islamic Relief Worldwide's Emergency Response Team met many survivors with tragic stories, one of whom was Sughra, a frail old lady in her late 90s. Covered in dust, she told the Islamic Relief Worldwide team that she had lost 46 children, grandchildren and great grandchildren in the disaster. The tragedy had left her with no one but five orphaned great grandchildren to care for.

Sughra's two year old great granddaughter, Afrooz, is an endearing child who plays happily during the day, but cries every night because she had always slept with her mother. She often wakes up screaming during the night. Sughra tries to calm the children but is afraid as she does not know what the future holds. Before the earthquake her son used to take care of her, but now she is left with nothing.

Sughra is not new to hardship - her husband died thirty years ago and she has lived a difficult life, but now she feels it is all too much to bear. "I have lived through a lot - but now I don't want to live anymore," she said.

It is people like Sughra that Islamic Relief Worldwide has been supporting since the earthquake struck in December 2003. By seeing them through this difficult time, Islamic Relief Worldwide aims to not only meet their basic needs but to restore their faith in the future.

PROJECT:
Emergency Relief.

LOCATION:
Bam, Iran.

AIMS:
To take care of the immediate needs of disaster victims, including food, water, shelter, hygiene and support their recovery in the long-term.

BENEFICIARIES:
Survivors of the earthquake, particularly the most vulnerable groups.



Sughra worries about how she will take care of her five orphaned great grandchildren.

Emergency Relief

Responding to the great number of man-made and natural disasters in many places in the world, Islamic Relief Worldwide has developed emergency relief programs to support those in need of immediate aid. Our work aims to comply with the wishes of our donors, who extend their hand to help as soon as an emergency arises.

As a result of its many years of experience, Islamic Relief Worldwide has gained the trust of international organizations such as the World Food Program, the United Nations, the International Federation of Red Cross and Red Crescent Societies, and several other non-government organizations. Our long-standing affiliation and cooperation with local communities, as well as local and international organizations helps facilitate our work so that beneficiaries receive aid in a rapid and efficient manner.

In 2003, Islamic Relief USA spent **\$164,997** on emergency projects.



A convoy takes emergency aid from Jordan to Iraq in the aftermath of the conflict in 2003.

opposite page: A beneficiary of Islamic Relief Worldwide's food distribution project in Umbergalle, Ethiopia in 2003.

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opposite page: A beneficiary of Islamic Relief Worldwide's food distribution project in Umbergalle, Ethiopia in 2003.



Sacrificing for Others

Four years ago, Hawa's husband and two sons were killed, and their house in Chechnya was burnt to the ground. Terrified, she fled with her surviving children to the neighboring country of Ingushetia and found refuge in the Sputnik camp where Islamic Relief Worldwide has been providing her with food, water and basic services. This year, she also benefited from Islamic Relief Worldwide's *Udhiyah / Qurbani* meat distribution.

When Hawa received the meat, her eyes became filled with tears. She recalled an incident a few weeks earlier when her friend Kulsum had come to visit her before leaving for *Hajj* (pilgrimage to Makkah). Seeing Hawa prepare food, Kulsum had asked why she had not been asked to stay for dinner. Hawa was forced to confess that her children were so hungry that in desperation she had cooked a dead chicken she found among the rubbish. She told her friend that the reason she had not offered her dinner was because the meat she was cooking was *haram* (unlawful for Muslims) and she did not want her to eat it before going for Hajj.

Kulsum had been so moved by her friend's circumstances that she rushed home and returned with a small white bag. She then handed it to Hawa, saying, "This is the money I have been saving for several years. It should be enough to feed your children for a while. I won't go to Makkah."

Hawa did not know how to thank her friend for her sacrifice. She promised Kulsum that one day she would cook her some good *halal* (lawful) meat. Just weeks later, thanks to the generosity of a donor she will never meet, Hawa was able to fulfill her promise by cooking the meat given to her by Islamic Relief Worldwide.

PROJECT:

Chechnya Udhiyah / Qurbani Program.

LOCATION:

Chechnya and Ingushetia.

AIMS:

To give the gift of Udhiyah / Qurbani meat to those who do not ordinarily have the privilege.

BENEFICIARIES:

Around 60,000 Internally Displaced People (IDPs) in Chechnya and Ingushetia benefit from this annual gift.



Hawa began to cry when she received the gift of Udhiyah/Qurbani meat and told Islamic Relief staff why it meant so much to her.

Udhiyah/Qurbani

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 sacrifice of an animal. The event commemorates the sacrifice that Prophet Abraham (peace be upon him) made to God to show his devotion and commitment to Him.

Eid al-Adha is a day of celebration and remembrance of God. Not all of us, however, are in a position to enjoy this day. Islamic Relief Worldwide collects funds from donors, and performs Udhiyah/Qurbani on their behalf and distributes it to the needy. For many of the beneficiaries, this is the only

time of the year where they are able to eat meat.

In most countries, Islamic Relief Worldwide administers the distribution of fresh meat. Due to instability and conflict, however, Islamic Relief Worldwide provides Udhiyah/Qurbani in the form of cans in Afghanistan, Bosnia, Kosova and Palestine. The animal is sacrificed according to Islamic guidelines, cleaned and cooked in New Zealand, and then shipped out to their respective countries.

In 2003, Islamic Relief USA spent \$407,252 on Udhiyah / Qurbani projects.



Hope for the Homeless in Downtown Los Angeles

For the past two years during the Islamic holy month of Ramadan, Islamic Relief USA, along with dozens of other community and faith-based organizations in the greater Los Angeles area (known as the Coalition to Preserve Human Dignity, or CHPD) organized a “Humanitarian Day” for the homeless in downtown. The coalition is led by Los Angeles-based Ilm Foundation, a long-time partner of Islamic Relief which provides social services to the underserved population in Los Angeles.

Hundreds of volunteers across Los Angeles and Orange Counties assist at the event. The services offered to the beneficiaries include medical check-ups and vaccinations provided by UMMA Community Clinic, another Islamic Relief USA partner. There were several doctors, nurses, and clinic staff on-site. There were also food distributions which were partially donated by KFC and Wendy’s, and distribution of food, clothing, blankets, and hygiene packs. In all, about 3,000 people benefited from the event. 2004’s Humanitarian Day is expected to serve approximately 5,000 people.

Some quotes from last year’s beneficiaries:

“Not everybody stays in skid row, there are success stories and I plan on being one.”

“It is good to see that the people who helped are not looking down on us and that they really care. I like knowing that people care.”

“Yesterday, I felt like nobody cared, this is an answer to a prayer.”

Domestic Development Projects

Although Islamic Relief USA’s primary focus is international relief and development work, we recognize the need that exists in our own communities as well. There are many people living right here in the United States who live in underserved communities, lacking basic resources.

Islamic Relief USA has partnered with many non-profit organizations which focus on domestic projects, including Ilm Foundation (see story on the left) and UMMA Community Clinic, which provides medical services in the most underserved part of Los Angeles to approximately 10,000 patients. Many of these people have no access to any other medical care. UMMA’s mission is to promote the well-being of the underserved by providing access to high quality healthcare for all, regardless of ability to pay.

In addition, Islamic Relief responds to the needs of individuals in the community through our *Zakah* (mandatory alms charity given by Muslims every year) Allocation Program. Working with local mosques and organizations, Islamic Relief USA provides emergency funds for people on a per request basis.

In 2003, Islamic Relief USA spent **\$709,693** on domestic development projects.



Volunteers distributing much-needed medicine to beneficiaries at 2003’s Humanitarian Day in Los Angeles.

2003 Financial Year in Review

Increase of annual revenues was the trend since the inception of Islamic Relief-USA in 1993. However, for the first time since then, revenues declined from \$7,133,713 Dollars in 2002, to \$6,305,159 Dollars in 2003. The decline of 11.6 percent was due to the social, economic and political condition of the United States of America during 2003.

81.49 percent of the 2003 revenues were received from individual donors, 18.07 percent from foundations and organizations, and less than one half of one percent from other sources. No funds were received from the US government or any other governmental agencies during 2003.

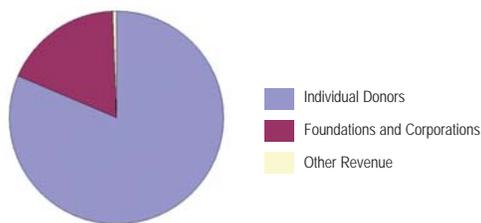
Islamic Relief continues to support humanitarian needs worldwide regardless of color, race, creed, or religion.

During calendar 2003, we continued to control cost and improve efficiency of our operation. 91.1 percent of the annual revenues were available for our programs while fundraising, management and general expenses represented only 8.9 percent of total revenues.

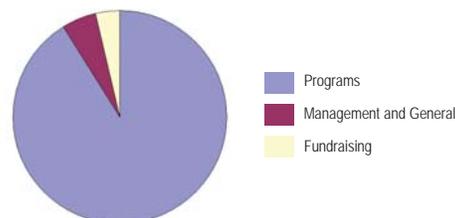
Islamic Relief management strongly believes in the mutual cooperation with other reputable organizations such as UNICEF, WFP, UNHCR, DFID, OXFAM, ECHO, and IR-UK. By doing so, we were able to maintain a low overhead rate and to maximize the benefit to our beneficiaries.

Sources of Funds		%
Individual Donors	5,138,277	81.49%
Foundations & Corporations	1,139,542	18.07%
Other Revenue	27,340	0.43%
Total	6,305,159	100.00%
Uses of Funds		
Programs	5,754,604	91.08%
Management & General	336,689	5.33%
Fundraising	226,836	3.59%
Total	6,318,129	100.00%
Current Year Programs		
Emergency & Relief Projects	2,052,292	35.68%
Education & Training	717,164	12.47%
Water & Sanitation	63,618	1.11%
Income Generation	174,305	3.03%
Health & Nutrition	452,174	7.86%
Orphan Support	1,175,703	20.44%
Udhiyah/Qurbani Projects	407,252	7.08%
Domestic Development Projects	709,693	12.34%
Total	5,752,201	100.00%

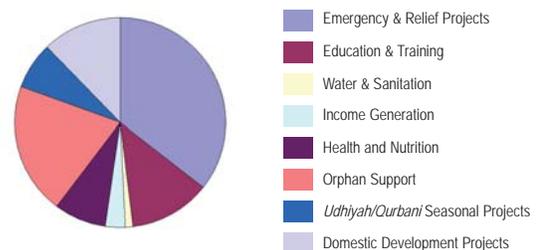
Sources of Funds



Uses of Funds



Current Year Programs





222 E. Huntington Drive, Suite 215
Monrovia, CA 91016
Phone: 626-303-0332
Fax: 626-303-05222

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Islamic Relief - USA

We have audited the accompanying statement of financial position of Islamic Relief - USA a nonprofit organization (IR-USA), as of December 31, 2003, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of IR-USA'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 IR-USA as of December 31, 2003, 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.

Monrovia, California
June 8, 2004

Financial Statements

Islamic Relief - USA Statement of Activities Fiscal Year Ended December 31, 2003

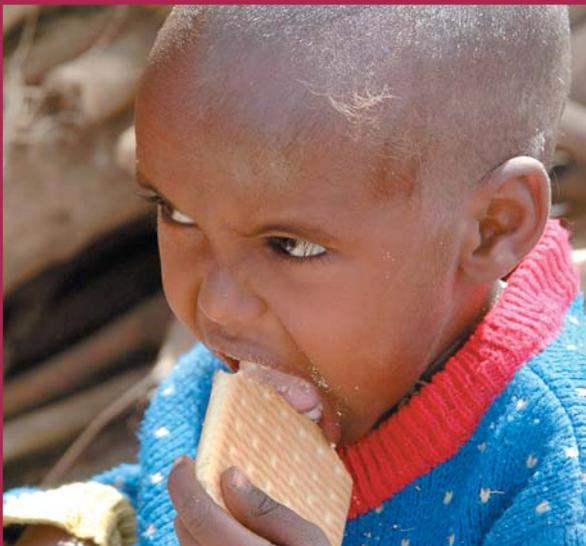
	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Restricted:			
Emergency	\$ 2,442,490		\$ 2,442,490
Orphan	844,636		844,636
Qurbani	416,264		416,264
Development	347,355		347,355
Children of war	276,405		276,405
Zakat	103,964		103,964
Total restricted revenues	-	4,431,114	4,431,114
Net assets released from restrictions	4,431,114	(4,431,114)	-
Unrestricted	1,846,705		1,846,705
Interest and dividends	3,682		3,682
In-kind donations	7,200		7,200
Realized gain on investments	8,987		8,987
Unrealized gain on investments	7,471		7,471
Total other revenues	27,340	-	27,340
Total Support and Revenues	6,305,159	-	6,305,159
Expenses			
Program	5,754,604		5,754,604
Management and general	336,689		336,689
Fundraising	226,836		226,836
Total Expenses	6,318,129	-	6,318,129
Change in net assets	(12,970)	-	(12,970)
Net assets, beginning of year	1,706,444	621,441	2,327,885
Net assets, end of year	\$1,693,474	\$621,441	\$2,314,915

Islamic Relief - USA Statement of Financial Position Fiscal Year Ended December 31, 2003

Assets		
Cash and cash equivalents	\$	4,158,908
Investment		98,452
Accounts receivable		29,433
Other receivables		273,278
Prepaid expenses		6,448
Other assets		16,539
Fixed assets (net of accumulated depreciation of \$125,837)		59,079
Total Assets	\$	4,642,137
Liabilities and Net Assets		
Liabilities		
Accrued expenses	\$	2,271,631
Other liabilities		55,591
Total Liabilities		2,327,222
Net Assets		
Unrestricted		1,693,474
Temporarily Restricted		621,441
Total net assets		2,314,915
Total Liabilities and Net Assets	\$	4,642,137

Islamic Relief - USA Statement of Cash Flows Fiscal Year Ended December 31, 2003

Cash flows from operating activities	\$ (12,970)
Change in net assets	26,437
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	
(Increase) decrease in assets:	
Accounts receivable	(18,640)
Other receivables	(185,432)
Prepaid expenses	1,833
Other assets	(9,280)
Increase (decrease) in liabilities:	
Accrued expenses	2,194,899
Accrued salaries and benefits	(124)
Other liabilities	8,929
Net cash provided by operating activities	2,005,652
Cash flows from investing activities	
Disposition of fixed assets	1,350
Acquisition of fixed assets	(20,565)
Increase in investments	(37,978)
Net cash used for investing activities	(57,193)
Net increase in cash	1,948,449
Cash, beginning of year	2,210,449
Cash, end of year	\$4,158,908



Young boy provided with high-energy biscuits as part of a food distribution program in Ethiopia.

The accompanying notes are an integral part of these financial statements and can be obtained by contacting our office.



Islamic Relief USA

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Tax ID#: 95-4453134