

A World of Hope



Islamic Relief
Annual Report
2004

About Us

Our Mission:

Islamic Relief 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 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 USA is a non-profit 501(c)(3) humanitarian organization, incorporated in the state of California in 1993. We are a member of the Islamic Relief Worldwide family, which is an international relief and development organization, striving to alleviate the poverty and suffering of the world's poorest people. Islamic Relief Worldwide was established in 1984 in response to the widespread famine in Africa. Since its establishment, Islamic Relief Worldwide has expanded greatly, with permanent locations in 30 countries worldwide.

Islamic Relief operates a wide variety of projects, including education and training, water and sanitation, income generation, orphan support, health and nutrition, and emergency relief.

For the second year in a row, Islamic Relief USA has been recognized as a 4-star charity by Charity Navigator, its highest rating. Charity Navigator is America's largest charity evaluator.

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 2004 Annual Report

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Cover photos: 1. Beneficiary of Islamic Relief's projects to help victims of the Asia tsunami. 2. Tents set up for victims of earthquake in Bam, Iran. 3. Beneficiary of Islamic Relief's emergency relief projects following the earthquake in Bam, Iran. Right: Islamic Relief USA representative Naeem Muhammad visiting beneficiaries of Islamic Relief's tsunami relief projects in Banda Aceh, Indonesia.

Hope for a Better World

As-Salamu 'Alaykum wa Rahmatullah

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

Dear Friends,

Two-thousand four began and ended with two of the biggest natural disasters of our time. Islamic Relief was very fortunate to be a part of the humanitarian response in both instances.

The Bam, Iran earthquake and the Asia tsunamis claimed hundreds of thousands of lives. Islamic Relief's immediate and comprehensive response to these two disasters exemplified the effectiveness of our relief work and the growing role our organization plays in alleviating the suffering of the most needy across the globe.

Immediately after the earthquake in Bam, Islamic Relief's Emergency Response Team surveyed the damage and implemented a recovery plan. Within hours of the tsunamis, Islamic Relief staff rushed from our Jakarta office to aid victims in the biggest relief effort in Islamic Relief's history. Within days, together with our committed partner, the Church of Jesus Christ of Latter-day Saints, Islamic Relief sent a cargo plane shipment of essential emergency relief supplies. Due to the magnitude of the crisis, our commitment to the tsunami survivors did not end with the emergency phase. In both Indonesia and Sri Lanka, our long-term reconstruction projects have already begun.

In addition these two devastating crises, Islamic Relief was a consistent presence in places with enduring problems, most notably in Darfur, Sudan. Islamic Relief has been one of the most effective organizations providing relief for the displaced population of Darfur. In an editorial column, the *New York Times* has mentioned that Islamic Relief "has done a wonderful job in Darfur."

Islamic Relief's domestic work witnessed the expansion of the "Humanitarian Day" event to aid the homeless to two major cities, where thousands of people were provided with food, blankets, clothing, and health screenings to help them cope with life on the streets. Our commitment to domestic projects remains strong and has been growing every year.

Islamic Relief carries out its work in over 30 countries by providing compassion and support, not just aid. We are intimately involved in the communities in which we work, and our goal has always been to allow the affected population to regain self-sufficiency and sustainability. The growing partnerships and positive media coverage we have been receiving is a testimony to our effective formula.

This report is a summary of the work Islamic Relief carried out in 2004. We hope you have a chance to look through it and see the great work that you have helped make possible.

We attribute all of our success first and foremost to God Almighty, and also to the continued support and commitment of our donors and partners.

We hope for a continued long and beneficial partnership with you as we work towards bringing hope to the most disadvantaged people in our global community.



Ahmad El Bendary
Executive Director and Chairman of the Board



Ahmad El Bendary visiting Islamic Relief projects in Mali.

Islamic Relief USA Board of Directors and Officers

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

Mohamed Amr Attawia
Medical Doctor
Boston, MA

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

Fisal Hammouda*
Mechanical Engineer
Chicago, IL

Saleh Saeed
Education Specialist
Birmingham, United Kingdom

Mohamed Abulmagd
General Manager, Islamic Relief USA
Burbank, CA

Mokhtar Shawky
Chief Financial Officer,
Islamic Relief USA
Burbank, CA

**Mr. Hammouda is no longer serving in this capacity.*

4-Star Rating from Charity Navigator, Two Years in a Row



“Charity Navigator salutes your charitable efforts. Receiving four out of a possible four stars indicates that your organization excels, as compared to other charities in America...”

Money which is donated to Islamic Relief is a trust, one that must be distributed as the donor requests. Islamic Relief has set high standards for itself in making sure that we maintain low overhead costs, in order to maximize efforts to help our beneficiaries.

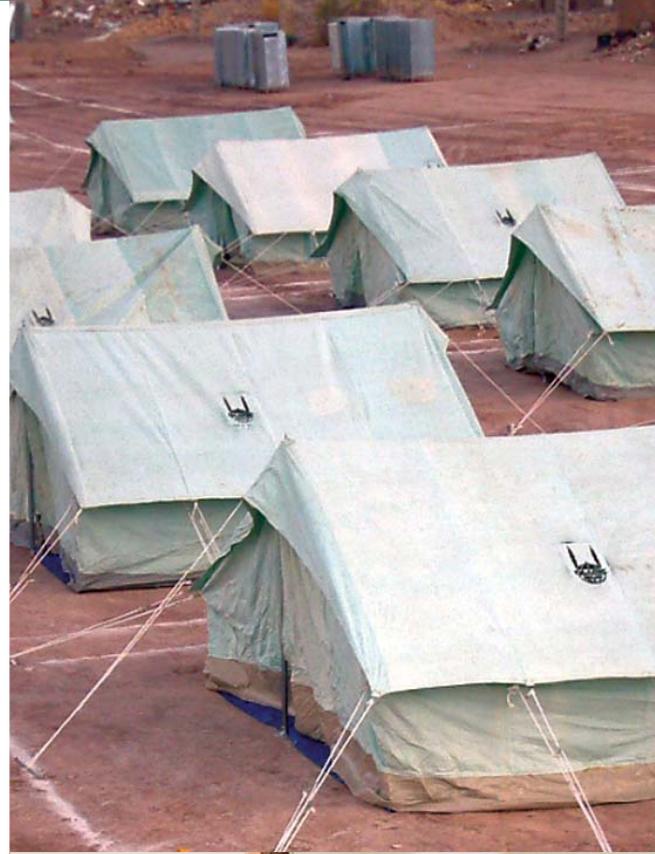
Due to the efficient and effective manner in which we manage our finances, Charity Navigator, America's largest charity evaluator, has given Islamic Relief its highest rating of 4-stars for the second consecutive year.

Excerpt from a letter saluting Islamic Relief's 4-star rating:

“Charity Navigator salutes your charitable efforts. Receiving four out of a possible four stars indicates that your organization excels, as compared to other charities in America, in successfully managing the finances of your organization in an efficient and effective manner. This consistency in your rating is an exceptional feat, especially given the economic challenges many charities have had to face in the last year.”

Islamic Relief's efficiency was noted in the *Denver Post* in an article printed on January 9, 2005. “Some Muslim charities, meantime, are redoubling their transparency efforts. One is the organization the Colorado Springs mosque singled out: Islamic Relief USA...the agency conducted a self-audit after Sept. 11, posts its financial records on the Web and advertises its four-star ranking from Charity Navigator, a group that ranks charities' efficiency.”

Islamic Relief is committed to establishing a relationship of trust with our donors and an atmosphere of transparency concerning our work. We are a witness to the suffering of many across the globe, from the cries of the orphan in Indonesia to the silent plea in the eyes of the starving child in Niger. This is what compels us to run Islamic Relief by the highest standards, maximizing the benefit reaching those we help and care about. •



Top: Emergency shelter for victims of the earthquake in Bam, Iran.

Bottom: A convoy of trucks with emergency aid for victims of the humanitarian crisis in Iraq.

A Year of Media Recognition

In 2004, Islamic Relief received more media coverage than ever before in our history. Several local, national, and international media outlets including CNN, the BBC, “ABC World News Tonight,” the *New York Times*, *Los Angeles Times*, *Chicago Tribune*, the *Washington Post*, and *USA Today* noted the positive work Islamic Relief was doing in places such as Sudan and Indonesia. Also, in the aftermath of the devastating tsunamis, several major media outlets listed Islamic Relief in “Ways to Help” section of their stories, thus increasing our visibility, and more importantly, donations to help the victims.

A sampling of quotes from the various media sources that have highlighted Islamic Relief’s work are as follows:

“Islamic Relief USA... has set up a field office in Banda Aceh, one of the worst-hit areas in Indonesia, and staff members are on the eastern coast of Sri Lanka, handing out hygiene kits.”
-Houston Chronicle, December 30, 2004

“The Islamic Relief charity is helping to manage one of the camps on the edge of Bam.” ‘Until a few days ago, there was no-one in the camps expect aid staff,’ said Islamic Relief’s Adeel Jafferi. ‘Now there’s around 400. We expect eventually to have around 3,000 people.’ He said new arrivals were getting tents, blankets, stoves, cooking pots, soap, washing powder, hygiene kits dustbins and jerry cans.”
-BBC, January 9, 2004

“Relief agencies and government officials say the best way for individuals to help the aid effort is by making a contribution to a charity working in the region... Islamic Relief USA...hopes to raise up to \$2 million through Internet donations and collections at mosques.”
-Chicago Tribune, December 31, 2004

“Muslim leaders are encouraging members to give to Islamic Relief.”
-Seattle Post-Intelligencer, December 30, 2004

“In Burbank, the nonprofit Islamic Relief USA asked worshippers to donate funds for tents and medical supplies at Friday prayers...Over the weekend, Islamic Relief announced that it was trying to raise \$1.35 million to deal with the devastation.”
-Los Angeles Times, December 28, 2004

“Arif Shaikh, spokesman for Islamic Relief USA, an Islamic charity in Burbank, Calif.... says that a tsunami relief campaign... is being complemented by Fund-raising efforts in Muslim communities across the USA. More than 20% of the estimated 5 million Muslims in this country are of South Asian descent, and Shaikh says he expects contributions to pour in to mosques and Islamic centers during weekly prayers Friday.”
-USA Today, December 28, 2004

“More than 70 tons of medical supplies, hygiene kits, clothing and shoes will be flown to Indonesia to aid tsunami disaster victims in a partnership effort by Islamic Relief Worldwide and The Church of Jesus Christ of Latter-day Saints.”
-Yahoo! News, December 31, 2004



Top: Ahmad El Bendary and Mark Tuttle, Public Relations Director for the Church of Jesus Christ of Latter-day Saints at a press conference in Salt Lake City, Utah announcing the shipment of emergency aid for tsunami victims in Banda Aceh, Indonesia.

Bottom: Islamic Relief General Manager Dr. Mohamed Abulmagd, speaking at a press conference at Los Angeles International Airport announcing the shipment of emergency aid for tsunami victims in Banda Aceh Indonesia, in conjunction with Operation USA.

A Year of Partnerships

Two-thousand four witnessed an increase in the number of organizations Islamic Relief partnered with to further its humanitarian work. Sharing Islamic Relief's vision of providing compassionate aid, these organizations were valuable partners in alleviating poverty.

Among our much-valued partners was the Church of Jesus Christ of Latter-day Saints. In 2004, Islamic Relief and the Church of Jesus Christ of Latter-day Saints joined hands to ship much needed emergency aid to countries facing major humanitarian crises. In-kind aid worth over \$4 million was sent to Iraq, Sudan, and Bangladesh. In addition, our two organizations worked together within days after the devastating tsunamis to ship urgently needed supplies worth over \$1 million to victims of the disaster in Banda Aceh, Indonesia.

Putting together our resources and experience in humanitarian work, Islamic Relief and the Church of Jesus Christ of Latter-day Saints began an invaluable partnership in 2004. In 2005, this partnership remains strong and is growing to assist the disadvantaged in many other parts of the world.

In 2005, Islamic Relief continues its broad partnerships in the field of humanitarian work. Other partners we have teamed up with include Los Angeles-based relief organization Operation USA. Providing much needed medicine, medical and surgical supplies, shelter material, food items, and hygiene kits, Islamic Relief and Operation USA sent a cargo plane worth over \$7 million to aid in Indonesia's tsunami relief. Other organizations that helped provide the contents included the Church of Jesus Christ of Latter-day Saints, Global Operations and Development, and MedPharm, LLC. Polar Air Cargo donated use of the 747 cargo plane used for the shipment. The ILM Foundation and the Seva Foundation are other valuable groups we are working with to further our mission of alleviating poverty here and abroad.

We are proud and grateful to have such significant partners in carrying out our charitable work. We thank everyone we have worked with for their support and look forward to a lasting, productive relationship to help those in need. •



Top: Dr. Mohamed Abulmagd and Mark Tuttle, Public Relations Director for the Church of Jesus Christ of Latter-day Saints at a press conference in Salt Lake City, Utah announcing the shipment of emergency aid for tsunami victims in Banda Aceh, Indonesia. Bottom: Islamic Relief's National Development Director Anwar Khan, speaking with Operation USA board member Gary Larsen at a press conference at Los Angeles International Airport announcing the shipment of emergency aid for tsunami victims in Banda Aceh Indonesia, in conjunction with Operation USA.



2005: A Year of Expansion

Islamic Relief USA has been headquartered in Southern California since its inception in 1993. Despite operating out of just one office from a corner of the country most of these years, Islamic Relief's presence has, *al-hamdulillah* (all praise is due to God Almighty) spread out across the United States.

As Islamic Relief's scope and projects increase, strategically located offices around the country will facilitate in this growth process. Our new office in Totowa New Jersey has already opened, and three more Islamic Relief offices in other cities will also be opening this year, in addition to our headquarters in Burbank, California.

New York/New Jersey

Islamic Relief has had full-time staff based in the New York area for years. The presence of a physical office will add to the effectiveness of the work we do in the Northeast region of the United States. Located in Totowa, New Jersey, the office will work to coordinate Islamic Relief's efforts for the entire region.

The New Jersey office celebrated its grand opening on August 25, 2005. The ceremonies were attended by Islamic Relief management from its Burbank, CA headquarters, as well as leaders from the local Muslim community.

The ceremony was also attended by numerous federal officials, including U.S. Attorney General Peter Harvey and his Outreach Director Sarah El Shazly, Civil Rights Director for the State of New Jersey Frank Vespa, and FBI Director Les Wiser. The Attorney General was the keynote speaker for the event.

Washington, DC

Host to many international relief organizations, non-profit organizations, and public officials, Islamic Relief's Washington, DC office aims to establish new partnerships with organizations based in the nation's capital, in addition to strengthening existing relationships. Islamic Relief's goal is to be well-known in sectors of this very important city.

Dallas, Texas

Focusing on the southern region of the United States, Islamic Relief's Dallas office will coordinate Fund-raising efforts in the region. For several years, this region has been home to some of Islamic Relief's most generous and consistent donors. With a full-time presence in this growing city, Islamic Relief hopes to reach out to its donors more frequently through community fund-raising activities, informational lectures and presentations, and conferences. Dedicating a single office for such an important and populated region will help augment Islamic Relief's growth in the region.

Detroit, Michigan

Home to a large population of Muslims and situated close to other highly-populated cities in the Midwest, the Michigan office will coordinate Fund-raising activities in the area as well as head community projects geared to alleviate poverty in the local communities. A permanent office in this very important city has long been a goal for Islamic Relief, and in 2005, it will, *in sha' Allah* (God willing) become a reality.

Top: Islamic Relief Northeast Region Office Director Yusef Abdallah, speaking at the grand opening of the office in Totowa, NJ.

Middle: New Jersey FBI Director Les Wiser, speaking at the grand opening.

Bottom: Attendees of the grand opening celebration of Islamic Relief's new office in New Jersey.

Tsunami Disaster: Lives Lost, Hope Restored

The morning of Sunday, December 26, 2004 would turn out to be unlike any other for seven-year-old Nola. Nola used to live with her mother, father, and two younger sisters in Banda Aceh, Indonesia. When the tsunami struck, Nola lost her entire family.

The earthquake and tsunamis that struck that day resulted in one of the greatest natural disasters in recent history. From across southern Asia to the horn of Africa, 12 countries were affected. The estimated death toll of over 225,000 was beyond belief.

Within hours, Islamic Relief was on the ground in Banda Aceh, Indonesia – the hardest hit area - trying to aid a shocked and displaced population. Immediate assistance of food, shelter, and clean water was invaluable. Within a few days, Islamic Relief partnered with the Church of Jesus Christ of Latter-day Saints to send a shipment of medical supplies, hygiene kits, and clothes and shoes among other things.

Islamic Relief also implemented immediate relief projects in Sri Lanka and India. The response in Sri Lanka took place in the Eastern Province of Ampara, which suffered the greatest damage. In India, Islamic Relief partnered with Indian Muslim Relief and Charities (IMRC) to provide emergency assistance.

In Indonesia, Islamic Relief is rebuilding homes, schools and healthcare centers, helping people restart their businesses, and improving access to clean water. In Sri Lanka, our team cleared up debris, and are continuing to rebuild homes and develop programs to help survivors regain their livelihoods.

Thousands of children were orphaned by the tsunami. Islamic Relief is committed to provide a better life for these children. With its Orphan Sponsorship Program, Islamic Relief aims to provide services in areas of health, education, shelter, and social needs.

Nola now lives in a camp for homeless people with her grandmother and thousands of others. When asked about her life in the camp, Nola answers bravely, “I like it here; I have lots of new friends and a good teacher too. I want to be a doctor, and my teacher says I am very clever.” Giving children like Nola hope and dreams of a brighter future is the reason we continue to do carry out this work.

Although the tsunami is now but a terrifying memory, the effects will still be felt by the victims for years to come. Through reconstruction projects, Islamic Relief is committed to helping victims of this tragedy in the long term. •



Top: Seven-year-old Nola, young tsunami survivor in Banda Aceh, Indonesia. Bottom: Young beneficiaries of Islamic Relief's tsunami relief efforts in Banda Aceh, Indonesia.



Top: Mustafa and two of his younger siblings.

Opposite page: Orphan sponsored by Islamic Relief in Pakistan.

Hope for the Most Vulnerable

Half a century has passed and 400,000 Palestinians who left their homes and fled to Lebanon are still living in overcrowded refugee camps. "Home" for them has become a tin hut in a fenced-off area controlled by armed guards. As long-term refugees, they have no social or civil rights and cannot access public schools or health facilities. This bleak existence is the only way of life known to an entire generation of Palestinian children.

Fourteen-year-old Mustafa lives in Ein El Helwi Camp in Lebanon. It is one of twelve camps run by the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA). Like other camp residents, Mustafa and his family live on a compound that is cut off from the outside world. Their home consists of two small rooms with few items of furniture. The space is cramped and uncomfortable, but it is all they have.

Mustafa lives with his mother, three brothers and three sisters. "My mother became my hero after my father's death," he told Islamic Relief. "She is a real survivor and has struggled a lot for our sake."

Mustafa's mother tries to provide for her children but employment is scarce. As a refugee, she is prohibited from working in most professions and can only do menial jobs that are physically demanding and underpaid. She has no legal work permit and therefore no job security. Negotiating a reasonable salary, claiming overtime, or asking for medical insurance is simply out of the question.

Surviving on a meager income, the family can only afford to eat one meal a day. The rest of the money is spent on the children's education. "My mother says if we finish our education life will be a lot better for us," explained Mustafa. "One day we will have enough money to live a decent life. That's why we have to be patient and never give up."

Mustafa is lucky to be able to go to school, as many children his age are forced to work and help support their families. Barred from enrolling in Lebanese schools, refugee children depend entirely on education programs provided by UNRWA. Too often, however, they drop out of school and look for work in agriculture or the construction industry. Orphans in particular end up working long hours to supplement their mothers' income, missing out on the opportunity to get an education.

In March 2005, Islamic Relief began working with Palestinian orphans in Lebanon through its One-to-One Sponsorship Program. The program put one hundred orphans from the poorest families in touch with people around the world who were willing to sponsor them. These children now receive a monthly income that pays for food, education, healthcare and general living costs. With so many children in need, hundreds of orphans are expected to be sponsored in the coming months.

Mustafa is one of the children who receives regular financial help through Islamic Relief's Orphan Sponsorship Program. Without the pressure of supplementing his mother's income, he can now work hard at school and receive a good education. The Islamic Relief donor who agreed to sponsor Mustafa has lifted the burden of responsibility and allowed him to be a child again. "Thank you for supporting us on our journey towards a respectable existence," said Mustafa. •

Orphan Support

Among those who suffer from poverty or try to overcome a disaster, orphans are usually the most vulnerable. Looking after the well-being of an orphan is a noble cause. Islamic Relief realizes this and allows donors the opportunity to assist orphans through its popular One-to-One Orphan Sponsorship Program, which expanded to more countries in 2004.

In Chechnya, Islamic Relief provided essential winter clothes to orphans. In Afghanistan, sanitation, kitchen, and dining facilities in two orphanages were rehabilitated. Also, in addition to their sponsorship, orphans in Bangladesh also received computer training. Islamic Relief cared for orphans with AIDS in South Africa while providing medical and psychological support to destitute children in Mali.

In 2004, Islamic Relief supported orphan programs in the following countries: Afghanistan, Albania, Bangladesh, Chechnya, India, Iraq, Jordan, Kenya, Kosova, Mali, Pakistan, Palestine, South Africa, and Sudan.

Total Beneficiaries: 20,006





Top: Beneficiaries at Islamic Relief's Early Intervention Rehabilitation Center in Egypt.
Bottom: Islamic Relief's Computer Training Center in Mali.

Transforming Lives

There are few places in Egypt where disabled children can learn to cope with their disabilities. For the most part, families with disabled children have little or no support, and the social stigma associated with disability can leave families isolated from their communities.

With most forms of disability, the appropriate therapy can make huge improvements in behavior, relieving the strain on the family, and making it possible for the children to enter mainstream society.

Islamic Relief's Early Intervention and Rehabilitation Center (EIRC) is one of the few places in Egypt where disabled children can learn new skills and where their families can learn to cope with having a disabled child.

Located outside of Cairo in Helwan, the EIRC has transformed many lives and brought hope to many families since its inception.

Case Studies: Mariam and Amal

Six-year-old Mariam was diagnosed as deaf when she was nine months old. Her mother Abeer didn't know how to handle the shock of having a disabled child. "I would hide her because I was ashamed of the hearing aids," she says.

Abeer turned to Islamic Relief's Early Intervention Rehabilitation Center for help, and there Mariam was able to learn to speak, read, and write.

Mariam's little sister Amal was also born deaf. This time, Abeer was better equipped to cope and Amal started attending Islamic Relief's EIRC project along with her older sister. Mariam now helps Amal understand and pronounce words.

The center has had a big effect on Abeer's confidence: "I can support my children much better now, I know how to cope with the difficulty of having disabled children. I feel happy about my life, my husband and my children. The EIRC center has had a huge effect on me and my family.

I hope that both my daughters will one day join suitable schools and receive a good education." •

Education and Training Projects

Education is a gift most of us take for granted. In most parts of the world, unfortunately, the gift of going to school is not available for everyone. Millions of children across the globe do not have access to basic education. Many millions of others attempt to obtain an education in inadequate classrooms with scant materials.

Islamic Relief sees education as a lifeline to a brighter future out of poverty. Our commitment to education in 2004 included reconstructing and equipping schools, and training teachers in Afghanistan. In Chechnya, Islamic Relief provided computers, vocational training, and reconstructed and equipped war-damaged schools. Islamic Relief's education work in Sudan included improving adult literacy, providing computer training and supporting children with impaired hearing.

In 2004, Islamic Relief implemented education programs in Afghanistan, Albania, Bangladesh, Chechnya, Indonesia, Iraq, Mali, Palestine, Sudan, and Turkey.

Beneficiaries: 179,012

Basic Needs for a Long-Suffering People

Conflict in the Republic of Chechnya erupted anew two years ago and continue to scar the lives of one million people in Chechnya and the Republic of Ingushetia. Over 300,000 people are still displaced and live with host families or in spontaneous settlements and camps.

While a permanent solution to the crisis remains to be found, efforts need to be escalated if the progress made in reducing suffering and improving people's lives over the past two years is to be sustained.

The aid community, recognizing that principled and efficient humanitarian action cannot resolve the root cause of the problem, would like to see all parties seek just and lasting peaceful solutions.

The existing water supply system in Ingushetia is not sufficient due to the prolonged stay of the IDPs (Internally Displaced People). Needs which are still to be met include the provision of pipelines to provide remote IDP settlements with water, and water treatment in areas of poor water quality.

Water bladders and bathing facilities in IDP camps and settlements need to be maintained and upgraded.

Sewage systems are available only in the central parts of the few major towns, and significant health hazards exist due to the inadequacy of the human-waste disposal system.

Sanitary toilet facilities need to be provided and maintained to meet minimum humanitarian standards. Hand-washing facilities are needed, and toilet-emptying programs, along with public education in hygiene practices should be continued.

The need for safe water and sanitation facilities is a high priority for residents, returnees and IDPs in Chechnya as well. Public health is threatened by a lack of clean water and poor sanitation.

While the situation outside the capital in general is not as difficult, all water treatment and distribution stations in Grozny have been damaged or even destroyed. The public water supply can only provide parts of the city with treated water.

Project Objective

Improvement of the water and sanitation of IDPs by delivering clean water to areas which lack access.

Project Activities

- Water delivery to IDP camps is carried out by one water tanker shipping 4 tons of water three times a day to each camp.
- One hygiene parcel is provided for each IDP family in the Sputnik and Alina camps.

Beneficiaries

IDPs in two tent camps: Alina (4,200 IDPs) and Spoutnik (5,400 IDPs).



Top: Young beneficiary of one of Islamic Relief's water projects in Chechnya.

Water and Sanitation Projects

Water is a basic need of humanity. Life and death are inextricably linked to the availability and cleanliness of this resource. Millions, however, are left without such access. Some of Islamic Relief's most important development projects to prevent future disasters is installing and cultivating water resources in under-privileged nations.

An examples of the work that Islamic Relief has done is making water contaminated by arsenic safe to drink. Islamic Relief has also constructed deep-tube wells and community bathrooms in Bangladesh, as well as providing clean drinking water and promoting proper hygiene practices in Pakistan. In addition, Islamic Relief has distributed hygiene packs to internally displaced families in Chechnya and constructed water supply and sewage systems in Kosova.

In 2004, Islamic Relief implemented water and sanitation programs in Bangladesh, Chechnya, China, Indonesia, Iraq, Kosova, Pakistan, and Sudan.

Beneficiaries: 426,841

Islamic Relief Worldwide
Permanent Projects

- Afghanistan
- Albania
- Bangladesh
- Bosnia
- Chechnya
- China
- Egypt
- Ethiopia
- Indonesia
- Iraq

Islamic Relief Worldwide
Seasonal / Emergency Projects

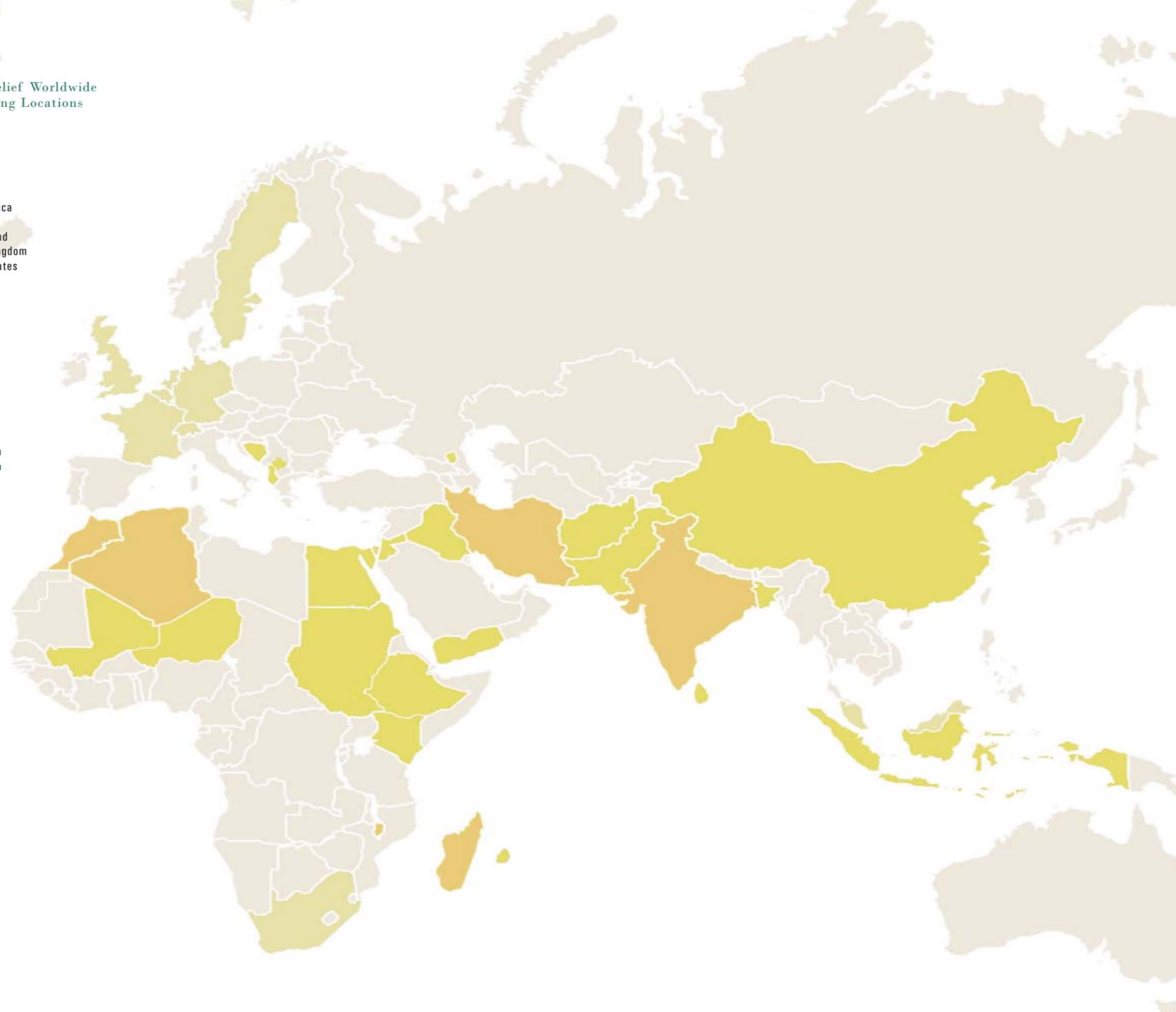
- Jordan
- Kenya
- Kosovo
- Mali
- Niger
- Mauritius
- Pakistan
- Palestine
- Sri Lanka
- Sudan
- Yemen

Islamic Relief Worldwide
Fund-raising Locations

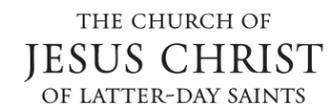
- Belgium
- France
- Germany
- Holland
- Malaysia
- Mauritius
- South Africa
- Sweden
- Switzerland
- United Kingdom
- United States

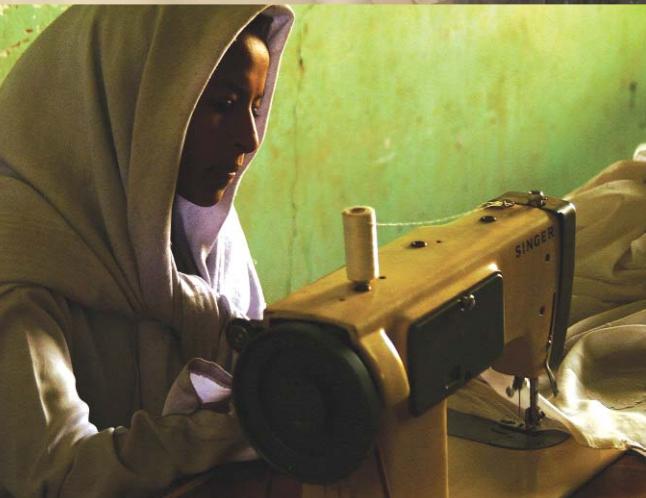


A World of Hope



Our Partners





Top, bottom, and next page: Young beneficiaries of Islamic Relief's School for Hearing Impaired Children in Sudan.

Overcoming Obstacles, Realizing Dreams

There are over 120 million people in the world today who suffer from some sort of impaired hearing. This can affect the individual's development in terms of language learning and educational progress. The problem is more acute in the third world where scope for treatment is even more limited.

This is the case in Sudan where there are a large number of children with impaired hearing who do not have access to proper treatment.

Suffering from impaired hearing has serious detrimental effects on a child's education and makes it difficult for the child to integrate with the rest of the society and he or she is often even considered an outcast. The child is also socially stigmatized, and suffers further hardship with difficulties securing employment or getting married.

One way of tackling this issue is through developing efficient local institutions which not only utilize specialized means to teach children, but also educate the local community and influence them to accept these children as part of the community-at-large.

It is estimated that there are approximately 250,000 deaf or partially deaf children in Sudan due to congenital deformity or infections such as cerebral spinal meningitis, mumps, and measles.

Project Background

North Kordofan State is within a semi-desert area of Sudan, which has a population of approximately 1.4 million. It is a culturally and ethnically homogenous area with most of the people involved in agricultural based work. The state suffers from long periods of drought resulting in a way of life that has become accustomed to poverty, disease and water shortages.

The school targeted for this project is located in the Ashiwaihat area of El Obeid, a main market town of North Kordofan state.

Project Objectives

- To establish specialized, quality educational facilities for community members suffering from impaired hearing.
- To increase the capacity of local NGOs (Non-Governmental Organizations) to provide assistance and facilities for people with impaired hearing.
- Raising awareness through community campaigns. This will tackle the issue of hearing impairment within the community so that people who have the disability are not looked upon in a negative light.

Beneficiaries

140 hearing impaired children and mothers.

Health and Nutrition Projects

Many people across the world continue to suffer from a lack of basic healthcare. Basic services that most people take for granted can be the difference between life and death.

Responding to this need, Islamic Relief operates a wide-array of health and nutrition projects, providing basic and supplementary medical services to populations in dire need.

Some of our projects include training traditional birth attendants in Afghanistan, distributing medical equipment in Bosnia, and operating a health clinic in Chechnya. In Palestine, Islamic Relief helped combat malnutrition among pre-school children as well as provide psychological and social care for traumatized children. Islamic Relief is also actively engaged in providing integrated care for children with special needs and their families in Egypt and preventing blindness, and providing low cost mobile and clinic-based healthcare for the rural poor in Bangladesh.

In 2004, Islamic Relief implemented health and nutrition programs in Afghanistan, Bangladesh, Bosnia, Chechnya, Egypt, Indonesia, Iraq, Pakistan, Palestine and Sudan.

Beneficiaries: 557,743



Hope for Self-Sustainability

Allowing people to achieve self-sustainability is a critically important aspect of Islamic Relief's mission. Income generation projects have long been an important aspect of our work.

One example of such a project is the Kandahar Women's Bakery Project in Afghanistan, which will allow approximately 5,600 female-managed and poor households to have secure access to baked breads for an extended period of 6 months. The bread will help the households reduce their expenditure on food and divert financial resources to improve living standards. In addition to providing a sustainable income, this program also aims to allow women to become economically empowered.

Project Background

According to the United Nations, Afghanistan's estimated one million war widows rank it among the countries with the highest female-headed household population.

The rapid changing social and economic conditions in Afghanistan have forced these women into multiple roles as food producers, care providers, income generators and decision makers under conditions of limited financial resources without the help of a spouse or other support.

Complex emergencies, violence and destruction create even more intolerable conditions for women who traditionally have the primary responsibility of sustaining life within families.

Project Objectives

- To set up independent women bakeries, allowing widowed families to gain access to a sustainable form of income.
- To provide a source of employment for widows and enable them to acquire specific skills.
- To provide subsidized bread predominantly to widow-managed families and poor households.

Beneficiaries

The number of beneficiaries which will benefit from this program totals 40,000 from the community of Paghman and outlying areas, with 26,400 of these coming from vulnerable groups.



Top: A beneficiary of Islamic Relief's Kandahar Women's Bakery Project in Afghanistan.

Income Generation Projects

Immediate food aid and shelter after an emergency is not enough to bring the lives of those affected by a disaster back to normalcy. Islamic Relief believes in facilitating ways for our beneficiaries to achieve self-sufficiency. Those who can work and make their own livelihood have a greater chance of improving their living conditions in the long run.

Islamic Relief's 2004 income generation work included such projects as providing interest-free business loans in places like Kosovo, Bosnia, and Palestine. In Pakistan, Islamic Relief promoted sustainable agricultural and livestock rearing practices. Farmers in Afghanistan were trained about efficient land use for generating income and were provided with seeds, fertilizers, and hand tools.

In 2004, Islamic Relief implemented income generation projects in Afghanistan, Albania, Bangladesh, Bosnia, Iraq, Kosovo, Pakistan, and Palestine.

Beneficiaries: 450,312

Hope for the Displaced

The United Nations referred to it as “the world’s greatest humanitarian crisis” in 2004, yet the severity of the suffering of the displaced people of Darfur was still unknown to many.

Civil war has crippled the Darfur region of Sudan for the past two years, and innocent civilians, who have become refugees due to the crisis, are the most serious victims. Over one million people have fled their homes and abandoned farms, mostly to avoid ‘gangs’ which have carried out vicious attacks. Thousands have died or been injured as a direct consequence of the conflict, with many more deaths as a result of non-conflict related diseases.

In all, more than half of Darfur’s six million people are estimated to have been affected by the conflict through insecurity, displacement, loss of livelihoods, and decreased access to humanitarian assistance and basic services.

Anticipating the conflict to subside within a few months, camps were set up for the displaced people. Made of straw and rope and barely large enough to fit one cot with some personal belongings, the huts people lived in often did not even have a roof, making life extremely difficult in both the sweltering heat, and the heavy rains.

However, a few months turned into a few years. Life for the displaced people of Darfur had gone from difficult, to near-impossible.

At one point in 2004, the United States Agency for International Development (USAID) predicted that unless immediate aid was provided to the people of Darfur, 350,000 displaced people would die of hunger, disease and exposure.

Islamic Relief was one of the first aid groups to respond to the emergency in Darfur. Our emergency relief projects include providing food, water and sanitation facilities, healthcare, and education for the displaced people. In addition, working with different United Nations agencies, Islamic Relief was charged with the responsibility of managing two camps for displaced people.

Fauzia’s Story

One of the children affected by the displacement is five-year-old Fauzia, whose story echoes many times over throughout Darfur. Fauzia lives in El-Geneina, a village right on the border of Chad, where many of the displaced people had found refuge. She doesn’t remember what “home” is anymore - as there isn’t much hope for her family to return - at least not at this point.

Fauzia’s family has become spread out as a result of the displacement. Her mother was forced to flee to Uganda due to the conflict, and her father lives about 60 miles away, working in another village. Employment is hard to come by, and any opportunity for work must be seized immediately. There are no jobs available in El-Geneina, as most of the displaced people had lost their livelihoods after missing the harvest at the beginning of the conflict.

Although Fauzia is without her parents, she is one of the few who is lucky enough to live with relatives, although there is no replacement for her own family.



Top: Young mother and child in camp for displaced people in Darfur, Sudan.
Bottom: Outside view of a camp for displaced people in Darfur, Sudan.
Next page: Young beneficiary in El Damazin in eastern Sudan.

Emergency Relief Projects

When a humanitarian emergency arises, responding immediately and effectively could mean saving many lives. Islamic Relief’s experienced and highly-skilled emergency relief teams responded to many disasters in 2004, including helping tsunami victims in Indonesia and Sri Lanka, earthquake victims in Bam, Iran and the displaced people of Darfur, Sudan.

Many other emergency situations arise each year which do not garner as much or any media coverage. Islamic Relief responds to these crises based on need, whether or not it was covered in the press. Among the forgotten emergencies we assisted in were the devastating floods in Pakistan and Bangladesh, the ongoing conflict in Chechnya, providing medical supplies and hygiene packs to Beslan School siege victims, and responding to a cholera epidemic in Mali.

Islamic Relief’s emergency relief aid reached the following countries in 2004: Afghanistan, Bangladesh, Chechnya, Ethiopia, Indonesia, Iran, Iraq, Mali, Morocco, Pakistan, Palestine, Sri Lanka, and Sudan.

Beneficiaries: 1,146,884



Season of Hope

Visiting Lukomir is like going back in time. The remote mountain village in Bosnia-Herzegovina with A-shaped houses looks like something out of Tolkien's 'Lord of the Rings.' At any moment you expect a hobbit to come out of one of the small doorways and scurry up the hill.

Lukomir is home to just 13 people in the winter and 70 in the summer. For half the year, the village is completely snowed under and cut off from the outside world. The only way to receive food during these months is when it is brought in by helicopter. Located nearly 5,000 feet above sea level, it is the highest village in Bosnia-Herzegovina and possibly the oldest in all of Europe.

Unlike many other mountain communities, Lukomir escaped major destruction during the war and is now one of Bosnia's last remaining traditional villages. This means that its 120-year-old A-shaped houses, with cherrywood and corrugated iron roofs and stone walls, escaped the torching suffered by many other villages, most of which have been rebuilt.

It is in this remote village that Islamic Relief distributes food during the Islamic holy month of *Ramadan*; a glimpse of hope for a people accustomed to daily struggle. Last year, Islamic Relief's food distribution came at a perfect time, right before the winter snows arrived.

Nura Comar is one of the beneficiaries of Islamic Relief's seasonal Ramadan food distribution in Lukomir. Nura was born 1938 in the village, and also married there.

"I have lived here all my life. Maybe I will die here."

Her husband, Omar, died eight years ago.

"The Ramadan food parcel was very very useful. *In sha' Allah* (God willing) we will receive it again. I pray for the good health of you who give us the parcel. The parcel lasted the whole of the Ramadan month. All the contents were very useful." •



Top: Nura, life-long resident of Lukomir (see story on left).
Bottom: The historic village of Lukomir.

Seasonal Projects

Ramadan and Udhiyah/Qurbani

For Muslims around the world, the fasting month of *Ramadan* and the period of *Udhiyah/Qurbani* are very special times. In Ramadan, while Muslims perform their religious obligation of fasting from dawn to dusk, they also feel a special duty to help provide for those who remain hungry year-round. Charity is greatly encouraged during this time, and as a result, Islamic Relief is able to carry out special food distributions due to the generosity of its donors.

Udhiyah/Qurbani is an Islamic religious practice performed at the time of *Eid al-Adha* (the 10th day of the Islamic month of *Dhul al-Hijjal*) involving the sacrifice of an animal. This holiday commemorates the sacrifice Prophet Abraham (peace be upon him) made to God to show his devotion and commitment to Him. Islamic Relief performs Udhiyah/Qurbani on behalf of its donors, and distributes the meat to beneficiaries.

Islamic Relief's seasonal projects during these times not only fulfill the obligation of donors but also support many beneficiaries, who are able to also celebrate as a result.

In 2004, Islamic Relief carried out seasonal projects in the following countries: Afghanistan, Albania, Bangladesh, Bosnia, Chad, Chechnya, China, Egypt, India, Indonesia, Iraq, Kenya, Kosovo, Pakistan, Palestine, South Africa, Sudan, and Yemen.

Beneficiaries: 1,548,129



Top: A beneficiary of 2004's 'Humanitarian Day' in Los Angeles stands in line to receive aid items.

Next page: A beneficiary making use of the poncho provided to him at 'Humanitarian Day' to help protect him from the rain.

Organized, Grassroots Social Activism

"This is new to me. I have never been in this situation before. Because I just lost everything and I'm now trying to pick myself back up. And all this is Godsend. And I appreciate it."

-Senior citizen beneficiary

Early on a cloudy morning in the Islamic month of *Ramadan*; November 7, 2004, hundreds of volunteers from mosques around Los Angeles and Orange Counties were bused in or drove themselves to "Skid Row" to help set up for the third annual "Humanitarian Day and Healthfair for the Homeless." Skid Row, in the shadows of the high-rises of downtown Los Angeles, has long been one of the most poorest and disadvantaged areas in all of Southern California.

Expanding to the San Francisco Bay Area in 2004, this annual event brought together over 1,000 volunteers who distributed boxed food items, clothes, towels, ponchos for rain protection, toys, blankets, and hygiene kits to over 3,000 people who make their home on the streets.

The objective of the event was not merely to provide a meal - it included offering other essentials that would help a person survive on the street not only physically, but more importantly, emotionally. Hopelessness and grief can easily overtake a person living in such conditions. Homelessness is a sad reality in this country, and it is more prevalent than most people think. Islamic Relief, through working with our committed partners, including the Ilm Foundation (the organization which initiated Humanitarian Day), is committed to establishing solutions to help fix this long-ignored problem.

A middle-aged female beneficiary summarized the event's aspirations when she said "I really like it because they made me feel really good. They upped my spirits."

A Glimpse of Poverty in the U.S.

HUNGER

- 31 million Americans live in hunger or on the edge of hunger.
- The United States ranks 16th among industrialized nations in efforts to lift children out of poverty.
- Approximately 12 million children suffer from lack of food in America.

POVERTY

- 32.2 million people (11.8% of the U.S. population) live below the poverty line.
- 12.1 million U.S. children (16.9%) live below the poverty line. (United States Department of Commerce, Bureau of the Census).

HOMELESSNESS

- 2 million people a year are homeless (United States Department of Housing & Urban Development, 1999).

HEALTH CARE

- 42.6 million people (9.8 million children) in the United States have no health insurance. (United States Department of Commerce Bureau of the Census).

Domestic Development Projects

Islamic Relief has increased its focus on domestic projects greatly in recent years. Although it is not as apparent or easily recognizable as in other countries we work in, there are many communities here in the United States which remain underserved.

Whether it is the homeless population making their home on the street, or assisting those who cannot afford basic health care, Islamic Relief sees it as its duty to aid the less fortunate in our society.

Islamic Relief implemented various domestic projects in 2004. Among them was the annual Humanitarian Day, which provided essentials such as food, hygiene kits, and medical care. Working with the Ilm Foundation in Los Angeles, Islamic Relief supports monthly homeless feedings in the area as well.

Other domestic projects supported by Islamic Relief include the continuing support of the UMMA Community Clinic, toy drives for disadvantaged children, community support programs, and much more. One of Islamic Relief's domestic projects which has grown in recent years is our financial assistance program for families in need. Working with mosques and community organizations, Islamic Relief provides emergency financial assistance to families in need.



2004 Financial Year in Review

During calendar year 2004 Islamic Relief’s total support and revenues grew from \$6,318,129 in 2003 to \$13,314,563 in 2004, which represents a growth rate of 111%.

The growth was due to natural and man made disasters in 2004, cooperation with new partners, and Islamic Relief’s continued participation in supporting humanitarian needs worldwide regardless of color, race, creed, or religion.

Some of our committed partners that made a difference this year included the Church of Jesus Christ of Latter-day Saints, Islamic Medical Association of North America (IMANA), Operation USA, Globus Relief, INMED Partnerships for Children, MedPharm, LLC, Seva Foundation and Ilm Foundation.

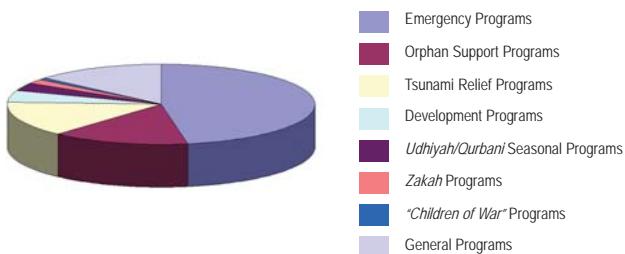
During 2004, 60% of support and revenues were received from individual donors while 40% were received from foundations and organizations. No support or revenues were received from the U.S. government.

Due to the growth and cost control practiced by management, 94.4% of funds used were spent on programs in 2004, compared to 91.1% spent in 2003.

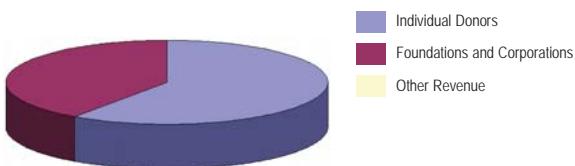
During 2004, management, general, and fund-raising expenses totaled \$602,043, which represented only 4.5% of total donations, compared to 8.9% for 2003.

Islamic Relief management continues to extend their hands to other non-profit organizations in the USA and abroad in order to increase support to more beneficiaries worldwide.

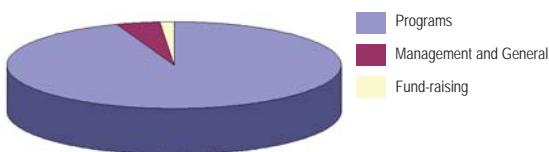
Current Year Programs



Sources of Funds



Uses of Funds



Sources of Funds	\$	%
Individual Donors	7,955,999	59.75%
Foundations & Corporations	5,351,994	40.20%
Other Revenue	6,571	0.05%
Total	13,314,564	100.00%
Uses of Funds		
Programs	10,185,577	94.42%
Management & General	446,934	4.14%
Fund-raising	155,109	1.44%
Total	10,787,620	100.00%
Current Year Programs		
Emergency programs	6,297,371	47.36%
Orphan support programs	1,902,800	14.31%
Tsunami relief programs	1,883,506	14.17%
Development programs	638,098	4.80%
Udhayah/Qurbani programs	450,645	3.39%
Zakah programs	186,749	1.40%
"Children of War" programs	134,226	1.01%
General programs	1,803,317	13.56%
Total	13,296,712	100.00%



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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, a nonprofit organization (IRUSA), as of December 31, 2004, 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, 2004, 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
August 1, 2005

Islamic Relief - USA
Statement of Activities
Fiscal Year Ended December 31, 2004

	Unrestricted	Temporarily Restricted	Total
Support			
Contributions	\$ 6,001,941	\$ 3,314,400	\$ 9,316,341
In-Kind contributions	3,980,371		3,980,371
Donated services	11,280		11,280
Total Support	<u>9,993,592</u>	<u>3,314,400</u>	<u>13,307,992</u>
Revenue			
Interest and dividends	3,135		3,135
Realized gain on investments	788		788
Unrealized gain on investments	2,648		2,648
Total Revenue	<u>6,571</u>	<u>-</u>	<u>6,571</u>
Total Support and Revenue	10,000,163	3,314,400	13,314,563
Net assets released from restrictions	<u>621,441</u>	<u>(621,441)</u>	<u>-</u>
assets released from restrictions	10,621,604	2,692,959	13,314,563
Expenses	10,185,577		
Program	155,109		10,185,577
Fund-raising			<u>155,109</u>
Total Expenses	<u>10,787,620</u>	<u>-</u>	<u>10,787,620</u>
Change in net assets	(166,016)	2,692,959	2,526,943
Net assets, beginning of year	1,693,474	621,441	2,314,915
Net assets, end of year	<u>1,527,458</u>	<u>3,314,400</u>	<u>4,841,858</u>

Islamic Relief - USA
Statement of Financial Position
Fiscal Year Ended December 31, 2004

	2004
Assets	
Cash and cash equivalents	\$ 4,249,482
Investments	49,773
Accounts receivable	312,161
Other receivables	49,022
Prepaid expenses	12,511
Refundable deposit	395,000
Other assets	11,211
Property and equipment - net of accumulated depreciation of \$153,898	<u>41,459</u>
Total Assets	<u>\$ 5,120,619</u>
Liabilities and Net Assets	
Liabilities	
Accrued expenses	\$ 216,765
Other liabilities	<u>61,996</u>
Total Liabilities	278,761
Net Assets	
Unrestricted	1,527,458
Temporarily Restricted	3,314,400
Total net assets	<u>4,841,858</u>
Total Liabilities and Net Assets	<u>\$ 5,120,619</u>

Islamic Relief - USA
Statement of Cash Flows
Fiscal Year Ended December 31, 2004

	2004
Cash flows from operating activities	
Change in net assets	\$ 2,526,943
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	36,390
(Increase) decrease in assets:	
Accounts receivable	(282,728)
Other receivables	224,256
Prepaid expenses	(6,063)
Refundable deposit	(395,000)
Other assets	(3,000)
Increase (decrease) in liabilities:	
Accrued expenses	\$ (2,054,868)
Other liabilities	<u>6,405</u>
Net cash provided by operating activities	<u>52,335</u>
Cash flows from investing activities	
Acquisition of fixed assets	(10,440)
Decrease in investments	48,679
Net cash provided by investing activities	<u>38,239</u>
Net increase in cash and cash equivalents	90,574
Cash and cash equivalents, beginning of year	<u>4,158,908</u>
Cash and cash equivalents, end of year	<u>\$ 4,249,482</u>

Notes to financial statements can be obtained by contacting our office.



Islamic Relief

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