“One little person, giving all of her time to peace, makes news. Many people, giving some of their time, can make history.”

— Peace Pilgrim
Dear Friend —

This year I felt the presence of grace grow stronger in my life, in my country, across my world. In a time of sorrow for too many, I still felt hope.

This may seem surprising, given that the war in Iraq entered its third tragic year. That’s a milestone that sobers us all. A tsunami of staggering power devastated life in communities bordering the Indian Ocean. Hurricane Katrina brought physical and emotional devastation to our brothers and sisters in the Gulf states.

But I believe that as a people, we have found new strength, new determination—new grace—that compels us to reach out to those in need…

…to say, “In the face of such sorrow, I must do what I can.”

Here is the American Friends Service Committee’s Annual Report for 2005. Inside these pages, you’ll see realistic answers and approaches to global problems. You’ll see commitment and dedication. You’ll see the labors of individuals working together to create peaceful order out of chaos, to bring justice to those who are abused, to cherish our world and each other and establish a better future for all. You’ll see that you are not alone in your compassion.

You’ll see the presence of grace.

I’m proud of the work we’re doing—and of the generous people who provide our crucial financial support. Thank you for being part of that work. We have much still to do.

For peace,

Mary Ellen McNish
General Secretary
The peace, justice, and humanitarian purposes of AFSC have always led us to work with some of the world’s most vulnerable groups and with the peacemakers in those communities. We work with elected officials and national leaders to promote the common good and as partners with those who suffer from abusive power.

Healing begins by asking questions and then hearing the replies. Our programs are different in each nation because the situations vary from country to country. But always our overriding priority is respect.

In Haiti, AFSC improves the lives of people in four rural districts of western Grand’Anse province through community health care and education, economic development projects, reforestation, and conflict resolution.

Fernande Isidore and her three children are just one family benefiting from increased self-reliance. A widow with a one-year-old daughter and two boys (ages 10 and 12), she’s a member of AFSC’s mothers’ club. There she’s learned to breastfeed so her infant will not suffer from the malnutrition her sons had. And she’s been trained to care for her children when they’re sick and to avoid dangerous dehydration. With new opportunities for improved health, and the support of a steady network of helpers, Fernande and her family face a brighter future.

Access to Truth

Profound repression often relies on the suppression of information. Today, the Internet provides one of the few links to truth and honest analysis for those seeking peace and justice in even the most repressive regimes.

AFSC’s Latin America and Caribbean program launched a Spanish language electronic magazine in 2005 as a forum for practitioners, scholars, and others interested in sustainable development in their communities. There are now more than 13,000 subscribers in the region and some 2.5 million annual visits to the website to view articles, reviews, and announcements.

In Mexico, AFSC’s annual Summer Project develops youth leaders committed to solidarity and a multicultural and global perspective. These young men and women are dedicated to nonviolent social change in their communities, organizations, schools, and workplaces. They work side by side on projects such as painting schools and community centers, improving water systems, and fixing roofs—but there’s still time for play with village children and cultural sharing among the participants and their hosts.
**Helping the Entire Community**

The only health center in Haiti’s Grand’Anse Province is run by AFSC, and serves a population of 54,000. Last year, the center treated over 15,000 people, and our community health programs served over 5,000 women in a family planning project. More than 200 malnourished children needing nutritional recuperation received monthly rations of corn porridge, beans, rice, enriched milk and vitamin A. Their families received training and information on child nutrition.

A 2003 participant returned to Mexico in 2005 to work for Peace Brigades International. According to an email she wrote: “… my experience in the Mexico Project helped to influence this decision.”

**MOZAMBIQUE’s** economy is largely agricultural. Although farming accounts for over 80% of the labor force, only 5% of the land is cultivated for household foods. That’s why AFSC is working to advance rural development projects.

Joaquim Macequessa and his family once went house to house seeking any opportunity to work for food. Now, AFSC staff have trained Joaquim in organic farming. He has his own year-round garden where he grows staples such as maize, bean varieties, peanuts and kale. Joaquim also heads a community garden. The whole family benefits from a stable food source and his wife sells their surplus food at the market.

In the **ANDES** region of South America, AFSC is focusing on empowering migrants to have a greater voice in the regulations, policies, and public programs that affect them. We’ve been a catalyst and facilitator in forming local and national organizations of migrants, refugees, and displaced persons so they can help each other to gain skills and make their presence felt at the national and international levels.

The Quaker United Nations Office, or **QUNO**, works to help the UN promote peaceful resolution of conflicts, human rights, economic justice, and good governance. In 2005, QUNO participated in many UN meetings and issued numerous statements. Among the topics QUNO covered were the crisis in northern Uganda, violence against women and girls in prison, and the human rights of indigenous peoples.
In **China**, the East Asia Quaker International Affairs Representatives worked closely with the government and partner organizations in Hunan Province to address the needs of young rural women migrating to booming coastal cities for factory jobs. A new hotline offers help for medical and legal problems. After an AFSC-sponsored study tour of innovative programs for migrant workers in the Philippines and Hong Kong, policymakers developed recommendations for the provincial government. AFSC also hosted two international workshops in China which brought together North and South Koreans, Japanese, Chinese, Europeans and U.S. citizens to share mutual concerns and ideas for appropriate development.

The people of **Afghanistan** continue to battle tremendous odds. Because AFSC believes that the single most effective tool to combat poverty is education, we’re constructing and repairing primary and secondary schools for girls and boys in Bamiyan Province. Three were completed in 2005, bringing the total to nine. Literacy programs for women provide a better chance for creating a safe and healthy future for their children.

**Compassion in the Face of Disaster**

Aysyiah is a 60-year-old school keeper. When the tsunami struck her home in Aceh, Indonesia, her school building was destroyed, as was her home. She feared that she and her daughter would be unable to support themselves, but help arrived through AFSC and our on-the-ground partners. Aysyiah planted corn and other seeds in the school’s yard. Her carefully-tended crops are growing well, and she has hope once again.

AFSC received more than 17,000 gifts through our website and the mail. The total amount received, nearly $5 million, means that in addition to the immediate relief provided, AFSC will support long-term recovery assistance to people in the stricken areas.

In **Bosnia/Herzegovina**, people suffering from post-war stress and mental disabilities, and former soldiers recovering from their traumas, find both reconciliation and a good source of nutrition by working side by side in AFSC’s “Peace Gardens.” The popular project promotes multi-ethnic understanding and has a long waiting list of would-be participants. Expansion beyond the thirteen gardens is planned.
AFSC begins the peacebuilding process quietly. It’s easier to hear from stillness, and it’s more respectful for all parties. But if people won’t listen to a whisper, we’re not afraid to speak loudly.

This year, the growing peace movement inspired actions against the war in Iraq on the part of people in this country, putting our concerns squarely in the public spotlight. Mass mobilizations and public protests are not new to AFSC. Our archives are filled with successful strategies and programs going back to the Vietnam War and even earlier. AFSC remains committed to peace. Our work in 2005 included many efforts, only a few of which are listed here.

**Eyes Wide Open**, AFSC’s widely-acclaimed exhibit on the human cost of the Iraq War, features a pair of boots honoring each U.S. military person killed in the war, a field of shoes, and a Wall of Remembrance to memorialize the Iraqis killed in the conflict. In 2005, Eyes Wide Open traveled to more than 30 places and was seen by well over 200,000 people. Newspaper coverage reached some 14,000,000 readers.

**A Mother’s Voice**

On Karen Meredith’s left ankle is a tattoo of a heart surrounded by a gold star. Though the tattoo looks bright and cheerful, it is in fact a somber reminder of her tragic loss. In May 2004, Meredith’s only child, Lt. Ken Ballard, was killed in Iraq. Thus her life as a Gold Star mother began. Her decision to become actively involved in antiwar efforts came a short time later, at Ken’s funeral at Arlington Cemetery. “I looked down at his grave,” recalls Meredith, “and I said, ‘If I don’t speak, how will people know what it feels like to be a Gold Star mother, to walk this path?’”

Founder of Gold Star Families Speak Out, Meredith has been actively involved with the American Friends Service Committee’s Eyes Wide Open memorial, and she has been a featured speaker at peace events throughout the country.
At each presentation, families and friends come to grieve for lost loved ones. Strangers honor those who gave their lives. Person after person has left a note, a photograph, a flag—all of which become part of the exhibit and accompany the boots on their journey.

The AFSC **STAND FOR PEACE** inspired activism around the nation on March 19, 2005, the second anniversary of the war. From petitions to candlelight vigils to local memorials that honored the war’s dead, communities from coast to coast took part in a mournful, thoughtful protest and the call to bring the war to an end. In all, more than 600 events were listed on AFSC’s website, many of them sponsored by those who had never planned anything like this before.

AFSC has been instrumental in the creation and guidance of **UNITED FOR PEACE AND JUSTICE** (UFPJ), a coalition of local and national groups throughout the U.S. (now more than 1,300 organizations) who have joined together to protest the immoral and disastrous Iraq War and to oppose our government’s policy of pre-emptive warfare and empire-building. Since its founding, UFPJ has spurred hundreds of protests and rallies around the nation and organized the two largest demonstrations against the Iraq War.
The military machine is desperate for soldiers and is recruiting young men and women using what is often outright deception. AFSC’s COUNTER-RECRUITMENT programs provide the facts to those who are considering military service and explain that every child can opt out of records sent automatically by the schools to recruiters. We’re working to find alternatives to military service, especially for low-income youths who feel they have few choices.

The G8 nations began discussing proposals for up to 100% debt cancellation for African nations in June 2004. Since that time, more than four million children under five have died. While the G8 agreed to cancel the debts of 14 African countries, they have yet to carry out their promises. AFSC’s LIFE OVER DEBT national campaign mobilizes activists to demand that these commitments be fulfilled and that the debts of the remaining African nations be cancelled without imposing harmful requirements.

Archbishop Desmond Tutu endorsed the Life Over Debt Campaign

“Shall we let Africa’s children die of curable or preventable disease; prevent them from going to school; destroy their opportunities for meaningful work—to pay off odious loans made to their forefathers?”
Minutemen, Border Patrol and legal observers at Mexico-U.S. border
As we work to increase peace and ease international tensions, we’re also aware of our responsibility to reach out to those in need within our own borders. Too often, the least fortunate among us suffer not only limited opportunity but also a lack of respect and appreciation for their human dignity. AFSC’s programs, always grounded in the belief that there is that of God in all people, promote fair treatment for all. Just a few of our Community Relations programs are listed here.

Conditions for **Immigrants** in this country are often appalling, and with few resources to secure justice, they are frequently subject to terrible human rights abuses. AFSC’s **Project Voice** combines local and national work to strengthen the voices of immigrant-led organizations in setting the national agenda for immigration policy and immigrants’ rights.

In Iowa, AFSC resumed its weekly Spanish-language radio program. Tens of thousands of immigrants in the area listen to it. AFSC also documented workplace abuses, provided legal services to more than 1,000 people, and continued to support an immigrant-led group that works for comprehensive immigration reform.

**New Curriculum for Inmates**

Staff from AFSC’s Pacific Mountain Region used a new curriculum based on “From Violence to Wholeness” with inmates at the federal women’s prison in Dublin, California. Women’s spirituality is the starting point for empowerment and nonviolence training. Mural painting, music, writing, movement and prayer are regular features of the sessions which are designed to help the women become allies for real change. The prison system thrives on separation and isolation, so the act of community building can be quite radical.

In Newark, New Jersey, staff and volunteers provided legal services to over 2,000 immigrants and refugees from more than 30 countries. We provided “Know Your Rights” presentations and individual case screenings to nearly 300 detainees held at the Elizabeth Detention Center, and provided 113 victims of domestic violence information about their immigration cases. The office responded to more than 1,000 calls from immigrants, their family members, and social service providers. In addition, AFSC successfully represented detained asylum seekers from Jordan, Tibet, Congo, and Albania.

AFSC **Criminal Justice** programs included a statewide campaign in Arizona to end the use of isolation in correctional facilities. Initial research
on the extent of these conditions included information from the Arizona Department of Corrections, the Department of Juvenile Corrections, and INS detention centers, as well as input from more than 200 prisoners who are incarcerated in so-called “Supermax” facilities.

AFSC’s Criminal Justice Program in Ann Arbor, Michigan, co-sponsored a 33-page report entitled “Penny-wise and Pound Foolish—Assaultive Offender Programming and Michigan’s Prison Costs.” The document details how a program that changes assaultive behaviors costs $1,400 per prisoner and is thus much more cost effective than keeping a prisoner locked up for a year at a cost of $20,000.

A River of Time

The Lower Elwha S’Klallam tribe, near Port Angeles, Washington, was the host for the 2005 Intertribal Canoe Journey. Participants came from east, west, north, and south — some paddling for as long as two weeks. Preparations began many months before and included safety and fitness training. Weekly meetings addressed the physical, social, mental, and spiritual demands of the journey. Upon arrival in Port Angeles, the 65 canoes were met by hundreds of people who welcomed them ashore and shared in cultural celebrations.
The New Mexico Program was pivotal in presenting an international symposium: “INDIGENOUS PEOPLES OF THE AMERICAS—CONFLICT, RESISTANCE, AND PEACE MAKING.” The three-day event involved hundreds of participants, including representatives of the Navajo and Apache Nations. Special invitations went to students of the Santa Fe Indian School, Institute of American Indian Arts, and the Southwest Indian Polytechnic Institute—all of whom come from reservation communities.

Millions of our neighbors are now the “working poor,” doing everything they’re supposed to do and still barely surviving. AFSC is calling on Congress to raise the minimum wage and advance ECONOMIC JUSTICE across the nation. A recent report, created in partnership with the National Council of Churches, is called A Just Minimum Wage: Good for Workers, Business and our Future.

AFSC’s Economic Justice Program helped mobilize an unprecedented level of public interest in federal budget priorities through a “Save Our Services” (SOS!) Campaign. We helped generate tens of thousands of telephone calls, postcards, and petitions to Congress and mounted a drive for a “moral budget” that was picked up by a number of elected officials, media outlets, and other groups.
SPECIAL PROGRAMS

The Washington Office arranged policy visits for AFSC’s Quaker International Affairs Representatives from Jerusalem and Amman, Jordan, and the Andean Program. Staff hosted talks by Israeli military refusers and arranged meetings for Afro-Colombian and Colombian indigenous leaders. The Office was instrumental in presenting Eyes Wide Open inside the National Cathedral. Crucial work included encouraging public support for Congressman Jim McGovern’s visionary legislation to end the use of taxpayer funds to deploy U.S. troops to Iraq. In the context of the U.S. Patriot Act, staff helped organize and moderate a civil liberties panel at an ecumenical gathering that drew over 800 participants.

The Wilde Trust

Personal connections to AFSC often reach back to our founding days. This was the case with Almena Gray Wilde who left us a $4.8 million legacy gift. Her father was one of the first conscientious objectors in World War I, and he and her uncle subsequently were active with the Service Committee. Part of the Wilde Trust will be used to strengthen our human rights work for immigrants and displaced persons. A portion will deepen our peace-building programs that range from off-the-record meetings between opposing groups to educating young people about conscientious objection and the alternatives they have to military service. A significant amount of this gift will build AFSC’s endowment, supporting our long-term commitment to peace, justice, and human dignity.
## Condensed Statement of Financial Position

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<thead>
<tr>
<th>ASSETS</th>
<th>2005</th>
<th>2004</th>
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</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
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<td>$4.3</td>
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<tr>
<td>Prepaid Expenses</td>
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<td>9.8</td>
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<tr>
<td>Other Current Assets</td>
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<td>2.1</td>
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<tr>
<td>Property</td>
<td>1.8</td>
<td>2.2</td>
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<tr>
<td>Investments</td>
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<td>189.6</td>
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<tr>
<td><strong>Total Assets</strong></td>
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<td>$208.0</td>
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<table>
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<tr>
<th>LIABILITIES &amp; NET ASSETS</th>
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<tbody>
<tr>
<td>Current Liabilities</td>
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<td>Other Liabilities</td>
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<td>Liabilities Accruing to Planned Gift Assets</td>
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<td>Agency Funds</td>
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<thead>
<tr>
<th>Net Assets</th>
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<tr>
<td>Unrestricted: Current Operations</td>
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<tr>
<td>Unrestricted: Designated</td>
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<td>67.7</td>
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<tr>
<td><strong>Total Unrestricted</strong></td>
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<td>$72.6</td>
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| Temporarily Restricted      | $60.8 | $51.1 |
| Permanently Restricted      | 7.7   | 7.2   |
| **Total Net Assets**        | $138.0| $130.9|

| **Total Liabilities & Net Assets** | $225.6 | $208.0 |

## Condensed Statement of Activity

### OPERATING REVENUES

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<th>2005</th>
<th>2004</th>
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<tbody>
<tr>
<td>Contributions</td>
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<td>Bequest Income</td>
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<td>Investment Income</td>
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<td>Gifts in Kind</td>
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<td>Other Income</td>
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<td><strong>Total Revenues</strong></td>
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### OPERATING EXPENSES

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<td>International Programs</td>
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<td>Domestic Programs</td>
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<tr>
<td>Community Relations</td>
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<tr>
<td>Peace Education</td>
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<td>Special Programs</td>
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<td><strong>Total Program Services</strong></td>
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<td>Fundraising &amp; Management</td>
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<tr>
<td><strong>Total Expenses</strong></td>
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<td>$41.5</td>
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</table>

| Change in Net Assets from Operations | (3.0) | 6.0 |
| Other Changes in Net Assets           | 10.1  | 8.7 |
| **Total Changes in Net Assets**       | $7.1  | $14.7 |

| **Net Assets—Beginning of the Year** | 130.9 | 116.2 |
| **Net Assets—End of the Year**       | $138.0| $130.9 |
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For the year ending September 30, 2005

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