

# Return of Organization Exempt From Income Tax

**2001**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2001 calendar year, or tax year beginning July 1, 2001, and ending June 30, 2002**

- B** Check if applicable:
- Address change
  - Name change
  - Initial return
  - Final return
  - Amended return
  - Application pending

Please use IRS label or print or type. See Specific Instructions.

**C Name of organization** **PROJECT HOPE - The People-to-People Health Foundation Inc.**

Number and street (or P O box if mail is not delivered to street address) Room/suite  
**255 Carter Hall Lane**

City or town, state or country, and ZIP + 4  
**MILLWOOD, VA 22646**

**D Employer identification number**  
**53 0242962**

**E Telephone number**  
**(540) 837-2100**

**F Accounting method:**  Cash  Accrual  
 Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

**H and I are not applicable to section 527 organizations**

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates ▶

**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**G Web site** ▶ **PROJECTHOPE.ORG**

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**I** Enter 4-digit GEN ▶

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)**

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Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1a</b>	<b>100,463,853</b>		
	<b>b</b> Indirect public support	<b>1b</b>	<b>172,543</b>		
	<b>c</b> Government contributions (grants)	<b>1c</b>	<b>9,760,583</b>		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>28,474,746</b> noncash \$ <b>81,922,233</b> )	<b>1d</b>			<b>110,396,979</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>			<b>3,549,488</b>
	<b>3</b> Membership dues and assessments	<b>3</b>			<b>0</b>
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>			<b>28,333</b>
	<b>5</b> Dividends and interest from securities	<b>5</b>			<b>846,607</b>
	<b>6a</b> Gross rents	<b>6a</b>	<b>65,639</b>		
	<b>b</b> Less rental expenses	<b>6b</b>	<b>40,914</b>		
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>			<b>24,725</b>
<b>7</b> Other investment income (describe ▶)	<b>7</b>			<b>0</b>	
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	<b>5,805,685</b>	<b>8a</b>	<b>0</b>		
	<b>6,095,568</b>	<b>8b</b>	<b>0</b>		
	<b>(289,883)</b>	<b>8c</b>	<b>0</b>		
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>			<b>(289,883)</b>	
<b>9</b> Special events and activities (attach schedule)	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>	<b>0</b>		
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>	<b>0</b>		
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>			<b>0</b>
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>	<b>0</b>			
	<b>b</b> Less cost of goods sold	<b>10b</b>	<b>0</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>			<b>0</b>
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>			<b>161,459</b>	
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>			<b>114,717,708</b>	
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>			<b>109,407,927</b>
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>			<b>3,237,450</b>
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>			<b>4,124,848</b>
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses (add lines 13 and 14, column (A))	<b>17</b>			<b>116,770,225</b>
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>			<b>(2,052,517)</b>
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>			<b>43,451,694</b>
	<b>20</b> Other changes in net assets or fund balances (attach explanation) Schedule 2	<b>20</b>			<b>(785,435)</b>
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>			<b>40,613,742</b>

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**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See Specific Instructions on page 21)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	1,702,159	553,642	968,677
26	Other salaries and wages	26	8,985,830	7,881,052	651,009
27	Pension plan contributions	27			
28	Other employee benefits	28	1,440,294	1,231,913	151,858
29	Payroll taxes	29	701,603	543,595	116,252
30	Professional fundraising fees	30	177,356		177,356
31	Accounting fees	31	47,715		47,715
32	Legal fees	32	27,267	12,997	13,356
33	Supplies	33	87,906,186	87,883,049	12,031
34	Telephone	34	582,383	494,172	63,480
35	Postage and shipping	35	1,657,689	499,562	8,659
36	Occupancy	36	1,724,376	1,295,736	286,559
37	Equipment rental and maintenance	37			
38	Printing and publications	38	1,735,970	790,148	23,595
39	Travel	39	4,015,018	3,804,175	156,955
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses (itemize). a Other Prof. Fees	43a	2,990,090	2,283,378	250,862
	b Books and Publications	43b	727,172	717,239	3,833
	c Computer and Data Processing	43c	2,055,368	1,151,581	479,411
	d Miscellaneous (See Schedule 3)	43d	293,749	265,688	3,198
	e	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	116,770,225	109,407,927	3,237,450

**Joint Costs.** Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose? ▶ Int'l and Domestic Health Education Programs	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Health Education & Assistance Programs-Provide health education programs in foreign countries and the United States which contribute to the solutions of international health problems. (See attached - Schedule 4) (Grants and allocations \$ 0 )	103,466,552
b Health Policy Programs - Conducts health policy research in order to help policy-makers formulate cost effective health care policy. Publishes the Health Affairs Journal which provides education to private organizations and the public concerning health care policy. (See attached-Sch4) (Grants and allocations \$ 0 )	5,941,375
c (Grants and allocations \$ )	
d (Grants and allocations \$ )	
e Other program services (attach schedule) (Grants and allocations \$ )	
f Total of Program Service Expenses (should equal line 44, column (B), Program services).	109,407,927

**Part IV Balance Sheets** (See Specific Instructions on page 24.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only			(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing	1,444,379	45	1,936,971
	46	Savings and temporary cash investments	5,114,679	46	2,404,895
	47a	Accounts receivable	831,702	47c	790,202
	b	Less: allowance for doubtful accounts	41,500		
	47b		2,588,721		
	48a	Pledges receivable	5,292,683	48c	5,042,683
	b	Less: allowance for doubtful accounts	250,000		
	48b		3,483,499	49	1,935,919
	49	Grants receivable Schedule 5	14,222,978	49	1,935,919
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)		51c	0
	b	Less: allowance for doubtful accounts	0		
	51b		0	52	18,099,005
	52	Inventories for sale or use	21,653,943	52	18,099,005
	53	Prepaid expenses and deferred charges	176,156	53	202,622
54	Investments—securities (attach schedule) Sch. 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	10,465,187	54	8,993,125	
55a	Investments—land, buildings, and equipment basis	0	55c	0	
b	Less: accumulated depreciation (attach schedule)	0			
55b		0	58		
56	Investments—other (attach schedule)		58		
57a	Land, buildings, and equipment: basis	10,737,690	57c	4,346,309	
b	Less: accumulated depreciation (attach schedule). Schedule 7	6,391,381			
57b		4,394,607	58	1,343,551	
58	Other assets (describe ▶ See Attached Schedule 8 )	93,203	58	1,343,551	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	63,637,352	59	45,095,282	
Liabilities	60	Accounts payable and accrued expenses	3,641,660	60	2,244,143
	61	Grants payable		61	
	62	Deferred revenue Schedule 9	16,185,032	62	453,739
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe ▶ See Attached Schedule 10 )	358,966	65	1,783,658
66	<b>Total liabilities</b> (add lines 60 through 65)	20,185,658	66	4,481,540	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted Schedule 11	13,100,565	67	12,563,475
	68	Temporarily restricted	28,943,176	68	26,641,996
	69	Permanently restricted	1,407,953	69	1,408,271
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	43,451,694	73	40,613,742	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	63,637,352	74	45,095,282	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



**Part VI Other Information** (See Specific Instructions on page 27.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
78b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81a	If "Yes," enter the name of the organization <b>Project HOPE New Jersey, Inc.</b> ..... and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	889,794
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	N/A	
85c	c Dues, assessments, and similar amounts from members	85c	
85d	d Section 162(e) lobbying and political expenditures	85d	
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86a	86 a 501(c)(7) orgs Enter initiation fees and capital contributions included on line 12	86a	
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	
87a	87 a 501(c)(12) orgs. Enter a Gross income from members or shareholders.	87a	
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____		
89b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
	d Enter Amount of tax on line 89c, above, reimbursed by the organization		N/A
90a	List the states with which a copy of this return is filed See Attached Schedule 14		
90b	b Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	182
91	The books are in care of Deborah R. Iwig Telephone no (540) 837-2100 Located at 255 Carter Hall Lane, Millwood, VA ZIP + 4 22646		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

**Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)**

**Note:** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Subscription Revenue					1,044,257
b International Health Programs					2,505,231
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	28,333	
96 Dividends and interest from securities			14	846,607	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property	532000	(14,210)	16	38,935	
98 Net rental income or (loss) from personal property					
99 Other investment income			18	(289,883)	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a Mailing List Royalties			13	161,459	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		(14,210)		785,451	3,549,488
105 Total (add line 104, columns (B), (D), and (E))					4,320,729

**Note:** Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	Health Affairs Journal - provides education to private organizations and the public concerning health care policy.
93b	Contract fees earned to provide health education programs in foreign countries which contribute to the solutions of international health problems. (See schedule 4)

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
N/A	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge (other than officer) is based on all information of which preparer has any knowledge

12/20/02  
Date

CFO and VICE PRESIDENT

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**2001**

**Supplementary Information—(See separate instructions.)**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization: **PROJECT HOPE - The People-to-People Health Foundation Inc.**  
Employer identification number: **53: 0242962**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Gail R. Wilensky 255 Carter Hall Lane, Millwood, VA 22646	Sr. Fellow, Center for Health Affairs 40+ hrs	172,483	6,496	N/A
Curt D. Mueller, Ph.D. 255 Carter Hall Lane, Millwood, VA 22646	Senior Research Director 40+ hrs.	113,775	2,180	N/A
Mark Anderson 255 Carter Hall Lane, Millwood, VA 22646	Regional Director 40+hrs	127,525	4,361	N/A
Michael O'Grady 255 Carter Hall Lane, Millwood, VA 22646	Sr. Research Dir. 40+ hrs.	122,050	8,985	N/A
Kathleen Langwell 255 Carter Hall Lane, Millwood, VA 22646	Sr. Fellow, Center for Health Affairs 40+ hrs	125,000	7,868	N/A
Total number of other employees paid over \$50,000 ▶	81			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
See Attached Schedule 15 Moore Response Marketing 6116 Executive Blvd, Suite 415, Rockville, MD 20852	Printers, Fund Raising	571,447
IPC Communications Services Dept. 77-9122, Chicago, IL 60678-9122	Mailing Service	249,982
Adams & Hussey 1401 I Street, NW, Suite 650, Washington, DC 20005	Fund-raising Counsel	210,011
SMS Direct 7540 Mason King Ct., Manassas, VA 20109	Mailing Service	347,818
Public Interest Data, Inc. 1800 Diagonal Rd., Suite 400, Alexandria, VA 22314	Fund-raising Database Management	199,306
Total number of others receiving over \$50,000 for professional services ▶	11	

**Part III** Statements About Activities (See page 2 of the instructions.)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
<b>a</b> Sale, exchange, or leasing of property? Schedule 16 . . . . .	2a	X
<b>b</b> Lending of money or other extension of credit? . . . . .	2b	X
<b>c</b> Furnishing of goods, services, or facilities? Schedule 17 . . . . .	2c	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V	2d	X
<b>e</b> Transfer of any part of its income or assets? . . . . .	2e	X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below.) Sch 18	3	X
<b>4</b> Do you have a section 403(b) annuity plan for your employees? . . . . .	4	X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is (Please check only **ONE** applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school. Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(ii) Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A.)
- 11b  A community trust Section 170(b)(1)(A)(v). (Also complete the Support Schedule in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety. Section 509(a)(4) (See page 6 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting.**

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants See line 28)	99,429,777	97,397,683	90,656,902	83,439,955	370,924,317
<b>16</b> Membership fees received					0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	3,532,299	2,776,449	1,108,628	935,643	8,353,019
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,165,294	1,429,445	1,324,411	1,256,092	5,175,242
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge	0	472,561	781,388	790,911	2,044,860
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
<b>23</b> Total of lines 15 through 22	104,127,370	102,076,138	93,871,329	86,422,601	386,497,438
<b>24</b> Line 23 minus line 17	100,595,071	99,299,689	92,762,701	85,486,958	378,144,419
<b>25</b> Enter 1% of line 23	1,041,274	1,020,761	938,713	864,226	
<b>26</b> Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.					26a 7,562,888
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b 179,227,331
c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶					26c 378,144,419
d Add Amounts from column (e) for lines 18 _____ 5,175,242 19 _____ 0					26d 184,402,573
22 _____ 0 26b _____ 179,227,331					26e 193,741,846
e Public support (line 26c minus line 26d total) ▶					26f 51.23 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					
<b>27</b> Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:	(2000) _____	(1999) _____	(1998) _____	(1997) _____	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2000) _____	(1999) _____	(1998) _____	(1997) _____	
c Add Amounts from column (e) for lines 15 _____ 16 _____					27c
17 _____ 20 _____ 21 _____					27d
d Add Line 27a total _____ and line 27b total _____					27e
e Public support (line 27c total minus line 27d total)					27f
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27g %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). ▶					27h %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶					

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See page 7 of the instructions.)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV) N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (if you need more space, attach a separate statement)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (if you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (if you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

Check  a  if the organization belongs to an affiliated group Check  b  if you checked "a" and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
41	Lobbying nontaxable amount Enter the amount from the following table—		
	<b>If the amount on line 40 is—</b>	<b>The lobbying nontaxable amount is—</b>	
	Not over \$500,000	20% of the amount on line 40	
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
	Over \$17,000,000	\$1,000,000	
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	0	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(a))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(a))				
50	Grassroots lobbying expenditures				

**Part VI-B Lobbying Activity by Nonelecting Public Charities**  
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

**2001**

Name of organization

Employer identification number

Project HOPE - The People-to-People Health Foundation, Inc.

53:0242962

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule—see instructions )

**General Rule—**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )

**Special Rules—**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose. Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization

PROJECT HOPE - The People-to-People Health Foundation, Inc.

Employer identification number

53: 0242962

**Part I** Contributors (See Specific Instructions)

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ 4,615,155	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.		(c) Aggregate contributions	(d) Type of contribution
<u>2</u>		\$ 2,996,005	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.		(c) Aggregate contributions	(d) Type of contribution
<u>3</u>		\$ 2,944,329	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.		(c) Aggregate contributions	(d) Type of contribution
<u>4</u>		\$ 2,405,606	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.		(c) Aggregate contributions	(d) Type of contribution
<u>5</u>		\$ 12,244,210	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No.		(c) Aggregate contributions	(d) Type of contribution
<u>6</u>		\$ 7,464,262	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization: **PROJECT HOPE - The People-to-People Health Foundation, Inc.** Employer identification number: **53 : 0242962**

**Part I Contributors (See Specific Instructions)**

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>7</u>		\$9,248,647	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>8</u>		\$9,926,040	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>9</u>		\$28,615,646	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
—		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

PROJECT HOPE - The People-to-People Health Foundation, Inc.

Employer identification number

53 : 0242962

**Part II** Noncash Property (See Specific Instructions)

(a) No from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>1</u>	Medical Supplies	\$ 4,605,255	10/10/01, 5/02/02
<u>2</u>	Pharmaceuticals	\$ 2,941,005	8/14/01-6/12/02
<u>3</u>	Pharmaceuticals	\$ 2,944,329	11/14/01
<u>4</u>	Pharmaceuticals	\$ 2,205,606	9/16/01 - 1/22/02
<u>5</u>	Pharmaceuticals	\$ 12,244,210	10/4/01 and 5/2/02
<u>6</u>	Pharmaceuticals	\$ 7,464,262	11/16/01, 12/12/01

Name of organization: **PROJECT HOPE - The People-to-People Health Foundation, Inc.** Employer identification number: **53 0242962**

**Part II Noncash Property (See Specific Instructions)**

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>7</u>	<u>Pharmaceuticals &amp; Medical Supplies</u>	\$ <u>9,158,647</u>	<u>8/23/01 - 4/26/02</u>
<u>8</u>	<u>Pharmaceuticals</u>	\$ <u>9,651,040</u>	<u>7/10/01 - 6/5/02</u>
<u>9</u>	<u>Vaccines</u>	\$ <u>28,615,646</u>	<u>7/25/01 - 2/4/02</u>
—	.....	\$ .....	...../...../.....
—	.....	\$ .....	...../...../.....
—	.....	\$ .....	...../...../.....

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 1**

Line 8, Part I, Page 1, Form 990

Gain (Loss) on Sale of Publicly traded securities

Sales Price	\$5,805,685
Cost Basis	<u>6,095,568</u>
Gain	<u><u>(\$289,883)</u></u>

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 2**

**Line 20, Part I, Page 1, Form 990**

Other changes in net assets or fund balances

Unrealized gains/(losses) on securities carried at market value	(\$645,638)
Transfer to Temporarily Restricted Endowment Income (for prior year)	<u>(139,797)</u>
Total	<u><u>(\$785,435)</u></u>

Project HOPE-The People-to-People Health Foundation, Inc

53-0242962

For the Fiscal Year Ended June 30, 2002

**SCHEDULE 3**

**Line 43(d), Part II, Page 2, Form 990**

Other Expenses

	(A) Total	(B) Program Services	(C) Mgmt & General	(D) Fundraising
Licenses & Permits	\$4,316	\$2,245	\$2,071	
Gain/Loss on Currency Exchange	71,893	71,893		
Bank Charges/Credit Card Fees	76,063	61,087	2,008	12,968
Institutional Dues	47,566	46,586	980	
Bad Debt	3,523	3,523		
Support to Nat'l Org	83,524	83,524		
Support to Project HOPE Japan	50,000	50,000		
Other/Corrections	(43,136)	(53,170)	(1,861)	11,895
	<u>\$293,749</u>	<u>\$265,688</u>	<u>\$3,198</u>	<u>\$24,863</u>

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 4**  
**Part III, Page 2, Form 990**

**Expanded Description of Organizational Mission  
and International Health, Domestic Health, and Health Policy Programs**

Project HOPE is the principal activity of Project HOPE-The People-to-People Health Foundation, Inc, an independent, international non-profit health education organization founded in 1958. Identifiable to many by the S S. HOPE - the world's first peacetime hospital ship, in service from 1960 to 1974 - Project HOPE has conducted programs in some 70 countries worldwide. Today, HOPE operates in 30 nations and is conducting over 60 programs in the Middle East, the Newly Independent States of the former Soviet Union, Africa, Asia, Latin America, Central and Southern Europe, and the United States.

The Foundation's guiding philosophy is that good health is essential for social and economic development, and ultimately for the dignity of every human being. Project HOPE strives to improve health standards throughout the world through partnership and education, teaching people to help themselves. The programs it has developed and implemented are designed to foster independence from outside assistance.

Project HOPE has capabilities in virtually all health science and health services disciplines, offering the advantage of a single organization with the resources to coordinate all aspects of multi-faceted programs. Its activities range from developing a system to train and utilize rural health promoters to the establishment of highly specialized, tertiary care postgraduate medical education programs. Activities include village health banks; maternal and child health and child survival; primary health care; medical, surgical, dental, nursing and allied health education, emergency medicine; economics and policy research; and sub-specialty programs in tuberculosis, cardiovascular surgery, pediatric surgery, critical and intensive care, neonatology, craniofacial surgery, burn treatment, rehabilitation, orthopedics, and laboratory medicine. Project HOPE is also recognized for its design and construction of health facilities and for providing short-term humanitarian assistance.

Project HOPE initiates programs at the specific request of the host country, and designs them to be responsive to local needs and priorities. In the planning and implementation of programs, it works closely with the appropriate local organizations, including Ministries of Health, universities, schools of health science, hospitals, health centers, health departments, and community programs in both rural and urban settings. Local counterparts work with Project HOPE to plan and implement activities to address critical health needs, so that programs can be sustained after the project is completed.

Project HOPE also provides objective analysis of health-related issues through its research and policy group, the Center for Health Affairs, and through its bi-monthly journal, Health Affairs. Working with policymakers in both the public and private sectors, these units are helping to identify and address problems of health care financing and access and other major concerns of the day.

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962

For the Fiscal Year Ended June 30, 2002

**SCHEDULE 5**

Line 49, Part IV, Page 3, Form 990

	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Grants and Contracts Receivable *	14,222,978	1,935,919

The Foundation receives grants and enters into contracts with the U S. Government, foreign governments, and multi-lateral organizations, which generally provide for cost reimbursement to the Foundation. Beginning with the fiscal year ended June 30, 2002, revenues are recognized as reimbursable expenses are incurred. In prior years these contracts were recorded as both receivables and deferred revenue on the balance sheet at the beginning of the contract period. This change resulted in the following:

*Grants and Contracts Receivable	17,293,242
Less Deferred Revenue -Grants and Contracts	<u>(15,357,323)</u>
Net Receivable	<u><u>1,935,919</u></u>

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 6**  
Line 54, Part IV, Page 3, Form 990

Investments	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Certificates of Deposit	\$300,000	\$300,000
Treasury Notes	1,386,884	1,483,017
Treasury Bonds	176,497	0
Corporate Bonds	2,064,651	1,735,923
Equity	5,684,985	4,943,373
Mutual Funds (Deferred Gifts)	852,170	530,812
	<u>\$10,465,187</u>	<u>\$8,993,125</u>

Project HOPE-The People-to-People Health Foundation, Inc  
 53-0242962  
 For the Fiscal Year Ended June 30, 2002

**SCHEDULE 7**

Line 57, Part IV, Page 3, Form 990

Description	June 30, 2001		June 30, 2002		Current Yr Depreciation
	Cost	Acc. Depr	Cost	Acc Depr	
Land	578,289		578,289		
Furniture, Fixtures & Equipment Life - Various	5,002,514	4,364,702	5,178,936	4,517,930	153,228
Leasehold Improvements Life = 3 Years S L	73,549	67,521	73,549	71,667	4,146
Land Improvements Life = 20 Years S L	592,629	563,462	592,629	569,449	5,987
Buildings Life - 45 Years S L	4,312,852	1,173,869	4,314,287	1,232,335	58,466
	<u>10,559,833</u>	<u>6,169,554</u>	<u>10,737,690</u>	<u>6,391,381</u>	<u>221,827</u>

On Part II, Form 990, depreciation is included within the following items:  
 Supplies and related materials handling  
 Occupancy, insurance and related charges  
 Donated books, publications, and related  
 materials handling  
 Computer and data processing charges

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 8**

Line 58, Part IV, Page 3, Form 990

Other Assets	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Contributed Property held for Resale	\$18,000	\$18,000
Accrued Interest Receivable	75,203	48,628
Loan Program Fund Assets *		1,276,923
	<u>\$93,203</u>	<u>\$1,343,551</u>

**\* Loan Program Fund**

The Foundation manages community-based loan programs in developing countries. These programs intend to encourage entrepreneurship and self-reliance. Program assets consist of outstanding loans and cash available from repayment of previous loans and related interest. The offsetting liability represents the Foundation's obligation to hold the program assets exclusively for the benefit of targeted communities

Project HOPE-The People-to-People Health Foundation, Inc  
 53-0242962  
 For the Fiscal Year Ended June 30, 2002

**SCHEDULE 9**

Line 62, Part IV, Page 3, Form 990

Support and Revenue Designated for for Future Periods	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Grants and Contracts *	\$15,626,085	\$0
Subscriptions to Health Affairs Magazine	<u>558,947</u>	<u>453,739</u>
	<u>\$16,185,032</u>	<u>\$453,739</u>

The Foundation receives grants and enters into contracts with the U.S. Government, foreign governments, and multi-lateral organizations, which generally provide for cost reimbursement to the Foundation. Beginning with the fiscal year ended June 30, 2002, revenues are recognized as reimbursable expenses are incurred. In prior years these contracts were recorded as both receivables and deferred revenue on the balance sheet at the beginning of the contract period. This change resulted in the following

Grants and Contracts Receivable	17,293,242
*Less Deferred Revenue -Grants and Contracts	<u>(15,357,323)</u>
Net Receivable	<u>1,935,919</u>

Project HOPE-The People-to-People Health Foundation, Inc

53-0242962

For the Fiscal Year Ended June 30, 2002

**SCHEDULE 10**

Line 65, Part IV, Page 3, Form 990

	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Loan Program Funds*		\$1,276,923
Annuity Obligations	<u>358,966</u>	<u>506,735</u>
	<u><u>\$358,966</u></u>	<u><u>\$1,783,658</u></u>

**\* Loan Program Funds**

The Foundation manages community-based loan programs in developing countries. These programs intend to encourage entrepreneurship and self-reliance. Program assets consist of outstanding loans and cash available from repayment of previous loans and related interest. The offsetting liability represents the Foundation's obligation to hold the program assets exclusively for the benefit of targeted communities.

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 11**

**Line 67, Part IV, Page 3, Form 990**

The Board of Directors has designated certain net assets to function as endowment to provide for the financial requirements from any unforeseen events that might threaten the continued viability of the Foundation. The Board-designated amount was \$8,000,000 at June 30, 2002 and 2001, which is classified as Net Assets - Unrestricted. Net appreciation from Board-designated endowment funds is recorded as unrestricted net assets

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 12**

**Part IV-A, Page 4, b(4) Form 990**

Rental Expenses	\$40,914
Transfer to Temporarily Restricted Endowment Income	<u>(139,797)</u>
Total	<u><u>(\$98,883)</u></u>

PROJECT HOPE - The People-to-People Health Foundation, Inc.  
53-0242962

For the Fiscal Year Ended June 30, 2002  
Schedule and Response to Part V, Schedule A, Form 990  
LIST OF OFFICERS, DIRECTORS, AND TRUSTEES  
SCHEDULE 13

<u>NAME, ADDRESS, &amp; TITLE</u>	<u>TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCOUNT AND OTHER ALLOWANCES</u>
<b>BOARD MEMBERS.</b>				
<b>Dr Michèle Barzach</b> International Consulting in Health Strategy 2, rue Cognacq-Jay 75007 Paris FRANCE	Note 1	None	None	None
<b>Mr. Arthur J. Benvenuto</b> Chairman and Chief Executive Officer Advanced Tissue Sciences, Inc 10933 North Torrey Pines Road La Jolla, CA 92037-1005	Note 1	None	None	None
<b>Mr Arno Bohn</b> Bohn Consulting Kaiser-Joseph-Str 243 79098 Freiburg GERMANY	Note 1	None	None	None
<b>Jo Ivy Boufford, M.D.</b> Dean The Robert F Wagner Graduate School of Public Service Office of the Dean 4 Washington Square North New York, NY 10003	Note 1	None	None	None
<b>Mr. C. L. Clemente</b> Executive Vice President Pfizer Inc. 235 East 42nd Street New York, NY 10017	Note 1	None	None	None
<b>Mrs. Edward N. Cole</b> Briarpatch Ranch County Road 179 West at Mandosa P O Box 1086 Lockhart, TX 78644	Note 1	None	None	None
<b>Mr John W Gallardo</b> 58 Crooked Tree Lane Princeton, NJ 08540	Note 1	None	None	None
<b>Jack M. Gill, Ph.D.</b> President The Gill Foundation 1330 Post Oak Boulevard, Ste 1575 Houston, TX 77056	Note 1	None	None	None
<b>Mr Bill Gradison</b> Patton Boggs, LLP	Note 1	None	None	None

2550 M Street, NW  
Washington, DC 20037

**Mr. William L. Henry**  
1229 Washington Street  
Pittsburgh, PA 15228

Note 1                      None                      None                      None

**Mr. Ben L. Holmes**  
P O Box 6404  
1228 Deer Run  
Ketchum, ID 83340

Note 1                      None                      None                      None

**Dr. Franz B. Humer**  
Chairman and CEO  
F. Hoffmann-La Roche, Ltd  
CH-4070 Basel  
SWITZERLAND

Note 1                      None                      None                      None

**Mr. Robert A. Ingram**  
Chief Operating Officer and President, Pharmaceutical Operations  
GlaxoSmithKline  
Five Moore Drive  
Research Triangle Park, NC 27709

Note 1                      None                      None                      None

**Mr. Richard Jay Kogan**  
Chairman, President  
and Chief Executive Officer  
Schenck-Plough Corporation  
2000 Galloping Hill Road  
Kenilworth, NJ 07033

Note 1                      None                      None                      None

**Mr. Kazuto Kohtani**  
Advisor  
Agilent Technologies Japan, Ltd  
9-1 Takakura-cho  
Hachioji-shi  
Tokyo 192-8510 JAPAN

Note 1                      None                      None                      None

**Mr. Göran S. Malm**  
1 Holt Road, #11-02 The Horizon  
Singapore 249441  
Goran

Note 1                      None                      None                      None

**Mr. Gerhard N. Mayr**  
Executive Vice President  
Eli Lilly and Company  
Pharmaceutical Operations  
Lilly Corporate Center  
Indianapolis, Indiana 46285

Note 1                      None                      None                      None

**J. Michael McQuade, Ph.D.**  
Division Vice President, Medical Division  
3M Company  
Building 275-4W-02  
St. Paul, MN 55144

Note 1                      None                      None                      None

**Mr. Dayton Ogden**  
Chairman  
SpencerStuart Worldwide  
695 East Main Street – Bldg A-2  
Stamford, CT 06901

Note 1                      None                      None                      None

**Mr. Steven B. Pfeiffer**  
Partner

Note 1                      None                      None                      None

Fulbright & Jaworski, L.L.P.  
801 Pennsylvania Ave., NW  
Washington, DC 20004-2615

Mr. James E. Preston  
Rock Hill Associates, LLC  
9 Maple Street – P O Box 859  
Kent, CT 06757

Note 1                      None                      None                      None

Mrs Felicia Warburg Rogan  
President  
Oakencroft Vineyard and Winery Corp  
1486 Oakencroft Lane  
Charlottesville, VA 22901

Note 1                      None                      None                      None

Mr. Stephen H. Rusckowski  
Chief Executive Officer  
Cardiac & Monitoring Systems  
Phillips Medical Systems  
3000 Minuteman Road  
Andover, MA 01810

Note 1                      None                      None                      None

Charles A. Sanders, M.D.  
Retired Chairman and CEO  
Glaxo, Inc.  
100 Europa Drive #170  
Chapel Hill, NC 27517

Note 1                      None                      None                      None

Dr J. Friedrich Sauerländer  
Chief Executive Officer  
Manufacture des Montres Rolex S.A  
La Haute Route 82  
2502 Biemme, SWITZERLAND

Note 1                      None                      None                      None

Mr. Curt M. Selquist  
Company Group Chairman  
Johnson & Johnson Healthcare Systems  
425 Hoes Lane  
Piscataway, NJ 08855

Note 1                      None                      None                      None

Louis W Sullivan, M.D.  
President Emeritus  
Morehouse School of Medicine  
Basic Medical Sciences Building 102F  
720 Westview Drive, SW  
Atlanta, Georgia 30310-1495

Note 1                      None                      None                      None

Ms Karen E. Welke  
Retired Group V P ,3M  
4755 McDonald Drive, North  
Stillwater, MN

Note 1                      None                      None                      None

Mr Bradley A. J Wilson  
Riversdale Lodge  
Riversdale  
Boume End  
Buckinghamshire SL8 5EB  
UNITED KINGDOM

Note 1                      None                      None                      None

Ementus Members

Jerry E. Robertson, Ph D.  
10 Partridge Lane

Note 1                      None                      None                      None

St Paul, MN 55127

OFFICERS

John P. Howe, III, M D President and CEO Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$496,037	\$7,556	None
Leslie Mancuso, PhD, RN Chief Operating Officer Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$267,320	\$6,714	None
Marc L. Berk, PhD Vice President, Health Policy Research Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$190,903	\$2,562	None
Jack Bode Vice President, Fundraising & Communications, USA Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$179,840	\$5,030	None
Deborah Carl Vice President, Human Resources and Administrative Support Services Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$147,036	\$8,852	None
John K. Iglehart Vice President & Founding Editor, Health Affairs Journal Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$238,119	\$7,104	None
Thaddeus Jastrzebski Vice President and Chief Financial Officer Project HOPE-The People-to-People Health Foundation, Inc. 255 Carter Hall Lane Millwood, VA 22646	Note 2	\$182,904	\$7,365	None

<b>TOTAL</b>		<b>\$1,702,159</b>	<b>\$45,183</b>	<b>None</b>
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**NOTES**

Note 1 These individuals serve as officers and/or members of the Board of Directors. No compensation is paid to any individual for serving as a member of the Board of Directors. In addition to attending the meetings of the Board of Directors, these individuals spend time related to certain fund raising activities of the Foundation.

Note 2 These individuals are officers of Project HOPE, The People-to-People Health Foundation, Inc. and are compensated for their services as full time employees of the Foundation. They work 40+ hours a week.

Project HOPE-The People-to-People Health Foundation, Inc.  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 14**

Line 90, Part VI, Page 5, Form 990

A copy of the Form 990 and/ or similar information is filed with the following states:

Alabama	Mississippi
Alaska	Montana
Arizona	Nebraska
Arkansas	Nevada
California	New Hampshire
Colorado	New Jersey
Connecticut	New Mexico
Delaware	New York
District of Columbia	North Carolina
Florida	North Dakota
Georgia	Ohio
Hawaii	Oklahoma
Illinois	Oregon
Indiana	Pennsylvania
Kansas	Rhode Island
Kentucky	South Carolina
Louisiana	Tennessee
Maine	Texas
Maryland	Utah
Massachusetts	Virginia
Michigan	Washington
Missouri	West Virginia
Minnesota	Wisconsin

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 15**

**Part II, Schedule A, Form 990**

Compensation amounts represent amounts paid to the companies during the year. Portions of the payments may represent prior year expenses that had been accrued in the prior year

Project HOPE-The People-to-People Health Foundation, Inc

53-0242962

For the Fiscal Year Ended June 30, 2002

**SCHEDULE 16**

**Line 2(a), Part III, Schedule A, Form 990**

In the normal course of business, Project HOPE makes purchases from many corporations, some of which may employ one of the members of our Board of Directors. All such purchases are made in accordance with Project HOPE's normal procurement policies and practices which include specific requirements for competitive bidding. These purchases are not significant to either Project HOPE or the corporation involved.

Such purchases are made without the contemporaneous knowledge of the full Board or the Board member(s) involved. The Board member(s) involved were not present when the related purchasing decisions were made. Information regarding such purchases is summarized on an annual basis and reported to the Board of Directors. The Board of Directors are governed by a separate conflict of interest policy.

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 17**

**Line 2(c), Part III, Schedule A, Form 990**

<u>Vendor</u>	<u>Work Description</u>	<u>Relationship to Project HOPE</u>	<u>Amount</u>
Spencer-Stuart	Executive Search Services	President is member of Hope's Board of Directors	\$55,000

During the year ended June 30, 2002 Spencer-Stuart Worldwide, an executive search service firm, provided services to Project HOPE in connection with its search for two senior executive positions. The Chairman of Spencer-Stuart, is a member of Project Hope's Board of Directors. In retaining Spencer-Stuart Worldwide, Project HOPE evaluated bids from 3 nationwide executive search firms and determined that Spencer-Stuart Worldwide was the most appropriate firm to provide these services, based upon cost, experience, and reputation of the firm. The Chairman of Spencer-Stuart did not participate in the decision to retain Spencer-Stuart Worldwide.

**Note**

On an irregular basis, it is necessary for the Foundation to provide housing facilities to certain employees, some of whom may be key employees. Such housing is provided for the convenience of the Foundation at The Project HOPE Health Sciences Education Center when it is necessary for the employees to be at the Center at irregular hours.

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2002

**SCHEDULE 18**

**Line 3, Part III, Schedule A, Form 990**

In deciding which organizations receive assistance from Project HOPE, requests from foreign governmental units and/or health institutions are individually evaluated. Major considerations include our perception of the commitment of the requesting entity and the entity's ability to carry on the respective programs which we are helping to establish.

In deciding which individuals receive assistance from us, we evaluate scholarship or fellowship recipients in conjunction with his or her Ministry of Health or Education. Our major considerations are the individual's past contributions to health care, as well as the individual's potential for future contributions.

**Application for Extension of Time To File an Exempt Organization Return**

OMB No. 1545-1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
  - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

**Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)**  
Note: Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only   
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1060, or 1041

Type or print	Name of Exempt Organization <b>Project HOPE-The People-to-People Health Foundation</b>	Employer identification number <b>53 : 0242962</b>
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions <b>255 Carter Hall Lane Inc.</b>	
	City, town or post office, state, and ZIP code. For a foreign address see instructions <b>Millwood, Virginia 22646</b>	

Check type of return to be filed (file a separate application for each return)

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                             | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until February 15, 2003, to file the exempt organization return for the organization named above. The extension is for the organization's return for  
▶  calendar year 20 \_\_\_\_\_ or  
▶  tax year beginning July 1, 2001, and ending June 30, 2002

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ N/A

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ N/A

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Deborah R. King Title ▶ Vice President & CFO Date ▶ 11/8/2002

For Paperwork Reduction Act Notice, see Instruction

Cat. No. 27916D

Form 8868 (12 2000)