

# Return of Organization Exempt From Income Tax

**2002**

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 2002 calendar year, or tax year beginning** July 1, 2002, and ending June 30, 2003

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

**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) ▶

**G Web site** ▶ www.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.**

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 134,235,589

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

**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  
**I** Enter 4-digit GEN ▶

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 17 of the instructions)

Revenue					
<b>1</b>	Contributions, gifts, grants, and similar amounts received				
<b>a</b>	Direct public support	<b>1a</b>	<u>108,406,149</u>		
<b>b</b>	Indirect public support	<b>1b</b>	<u>130,079</u>		
<b>c</b>	Government contributions (grants)	<b>1c</b>	<u>14,207,454</u>		
<b>d</b>	Total (add lines 1a through 1c) (cash \$ <u>34,254,802</u> noncash \$ <u>88,488,880</u> )	<b>1d</b>		<u>122,743,682</u>	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		<u>3,390,531</u>	
<b>3</b>	Membership dues and assessments	<b>3</b>			
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>		<u>7,549</u>	
<b>5</b>	Dividends and interest from securities	<b>5</b>		<u>779,213</u>	
<b>6a</b>	Gross rents	<b>6a</b>	<u>188,274</u>		
<b>b</b>	Less rental expenses	<b>6b</b>	<u>505,725</u>		
<b>c</b>	Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		<u>(317,451)</u>	
<b>7</b>	Other investment income (describe ▶ )	<b>7</b>			
<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
<b>b</b>	Less cost or other basis and sales expenses	<b>8a</b>	<u>6,821,681</u>		
<b>c</b>	Gain or (loss) (attach schedule) Sch. 1	<b>8b</b>	<u>7,572,199</u>		
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8c</b>	<u>(750,518)</u>	<u>0</u>	
<b>8d</b>		<b>8d</b>		<u>(750,518)</u>	
<b>9</b>	Special events and activities (attach schedule)				
<b>a</b>	Gross revenue (not including \$ <u>569,227</u> of contributions reported on line 1a)	<b>9a</b>	<u>31,250</u>		
<b>b</b>	Less direct expenses other than fundraising expenses	<b>9b</b>	<u>150,258</u>		
<b>c</b>	Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		<u>(119,008)</u>	
<b>10a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>			
<b>b</b>	Less cost of goods sold	<b>10b</b>			
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		<u>0</u>	
<b>11</b>	Other revenue (from Part VII, line 109)	<b>11</b>		<u>273,409</u>	
<b>12</b>	<b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		<u>126,007,407</u>	
<b>Expenses</b>					
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>		<u>112,180,433</u>	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>		<u>3,093,658</u>	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>		<u>4,349,764</u>	
<b>16</b>	Payments to affiliates (attach schedule)	<b>16</b>			
<b>17</b>	<b>Total expenses</b> (add lines 16 and 44, column (A))	<b>17</b>		<u>119,623,855</u>	
<b>Net Assets</b>					
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		<u>6,383,552</u>	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		<u>40,613,742</u>	
<b>20</b>	Other changes in net assets or fund balances (attach explanation) <u>Schedule 2</u>	<b>20</b>		<u>48,695</u>	
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		<u>47,045,989</u>	

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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 page 21 of the instructions.)

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 \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	1,610,257	609,462	812,812	187,983
26	Other salaries and wages	10,677,766	9,512,526	698,446	466,794
27	Pension plan contributions				
28	Other employee benefits	2,077,763	1,751,237	238,716	87,810
29	Payroll taxes	842,951	706,085	92,601	44,265
30	Professional fundraising fees	169,629			169,629
31	Accounting fees	117,310		117,310	
32	Legal fees	69,880	44,494	25,386	0
33	Supplies	85,386,515	85,364,079	17,288	5,148
34	Telephone	651,195	552,518	77,600	21,077
35	Postage and shipping	1,680,475	400,345	9,052	1,271,078
36	Occupancy	1,858,846	1,512,840	236,017	109,989
37	Equipment rental and maintenance				
38	Printing and publications	1,809,741	738,423	8,128	1,063,190
39	Travel	4,151,844	4,002,452	111,781	37,611
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)				
43	Other expenses (itemize) a Other Prof Fees	4,147,171	3,474,770	213,551	458,850
b	Books and Publications	2,203,679	2,197,016	4,825	1,838
c	Computer and Data Processing	1,777,740	972,879	399,649	405,212
d	Miscellaneous (See Schedule 3)	391,093	341,307	30,496	19,290
e					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	119,623,855	112,180,433	3,093,658	4,349,764

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 page 24 of the instructions)**

What is the organization's primary exempt purpose? <b>Int'l and Domestic Health Education Programs</b>	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 \$ _____)	106,166,719
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 \$ _____)	6,013,714
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)	112,180,433

**Part IV Balance Sheets** (See page 24 of the instructions.)

		(A) Beginning of year		(B) End of year	
<b>Note.</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
<b>Assets</b>	45	Cash—non-interest-bearing	1,936,971	45	2,380,237
	46	Savings and temporary cash investments	2,404,895	48	4,952,661
	47a	Accounts receivable	47a 115,255	47c	115,255
	b	Less allowance for doubtful accounts	47b 0		
	48a	Pledges receivable	48a 6,336,864	48c	5,898,361
	b	Less allowance for doubtful accounts	48b 438,503		
	49	Grants receivable Schedule 5	1,935,919	49	764,816
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)	51a	51c	0
	b	Less allowance for doubtful accounts	51b 0		
	52	Inventories for sale or use	18,099,005	52	23,216,205
	53	Prepaid expenses and deferred charges	202,622	53	103,687
	54	Investments—securities (attach schedule) Sch 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	8,993,125	54	9,008,843
	55a	Investments—land, buildings, and equipment basis	55a	55c	0
	b	Less accumulated depreciation (attach schedule)	55b 0		
56	Investments—other (attach schedule)		56		
57a	Land, buildings, and equipment basis	57a 11,009,856	57c	4,377,067	
b	Less accumulated depreciation (attach schedule) Schedule 7	57b 6,632,789			
58	Other assets (describe <input type="checkbox"/> See Attached Schedule 8 )	1,343,551	58	1,472,272	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	45,095,282	59	52,289,404	
<b>Liabilities</b>	60	Accounts payable and accrued expenses	2,244,143	60	2,737,198
	61	Grants payable		61	
	62	Deferred revenue Schedule 9	453,739	62	466,957
	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 <input type="checkbox"/> See Attached Schedule 10 )	1,783,658	65	2,039,260
66	<b>Total liabilities</b> (add lines 60 through 65)	4,481,540	66	5,243,415	
<b>Net Assets or Fund Balances</b>	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	12,563,475	67	12,220,295
	68	Temporarily restricted	26,641,996	68	33,365,014
	69	Permanently restricted	1,408,271	69	1,460,680
	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)	40,613,742	73	47,045,989
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	45,095,282	74	52,289,404

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 page 27 of the instructions)

		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	b If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	
81b	b 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	b 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	1,057,350
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	b 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	b 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?	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?	N/A	
86a	501(c)(7) orgs Enter a 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	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	b 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 15		
90b	b Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	190
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 and enter the amount of tax-exempt interest received or accrued during the tax year	92	

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions.)

**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					
<b>a</b> Subscription Revenue					1,002,922
<b>b</b> International Health Programs					2,387,609
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	7,549	
96 Dividends and interest from securities			14	779,213	
97 Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property	532000	(176,871)	16	(140,580)	
98 Net rental income or (loss) from personal property					
99 Other investment income			18	(750,518)	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	(119,008)	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue <b>a</b> Mailing List Royalties			13	273,409	
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
104 Subtotal (add columns (B), (D), and (E))				50,065	3,390,531
105 Total (add line 104, columns (B), (D), and (E))					3,263,725

**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 page 32 of the instructions)

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 page 32 of the instructions)

(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 page 33 of the instructions)

- (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 and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Date 11/14/03

CFO and VICE PRESIDENT

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

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

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

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

OMB No 1545-0047

**2002**

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 <b>PROJECT HOPE - The People-to-People Health Foundation Inc.</b>	Employer identification number <b>53 0242962</b>
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**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	160,000	7,995	N/A
Curt D Mueller, Ph.D 255 Carter Hall Lane, Millwood, VA 22646	Senior Research Director 40 hrs.	118,800	2,754	N/A
Jack Blanks 255 Carter Hall Lane, Millwood, VA 22646	Regional Director 40 hrs.	125,390	2,846	N/A
Dina Hammany 255 Carter Hall Lane, Millwood, VA 22646	Regional Direct 40 hrs.	114,950	2,012	N/A
Claudia Schur 255 Carter Hall Lane, Millwood, VA 22646	Deputy Director for Health Affairs 40 hrs	126,398	11,044	N/A
Total number of other employees paid over \$50,000 ▶	68			

**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
Moore Response Marketing (SEE Schedule 16) 6116 Executive Blvd, Suite 415, Rockville, MD 20852	Printers, Fund Raising	570,397
IPC Communications Services Dept. 77-9122, Chicago, IL 60678-9122	Mailing Service	192,518
Adams & Hussey 1401 I Street, NW, Suite 650, Washington, DC 20005	Fund-raising Counsel	233,380
KPMG 2001 M Street, NW, Washington, DC 20036	Audit	142,800
Public Interest Data, Inc. 1800 Diagonal Rd, Suite 400, Alexandria, VA 22314	Fund-raising Database Management	216,257
Total number of others receiving over \$50,000 for professional services ▶	10	

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

	Yes	No
1 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 1 of Part VI-B)		X
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		
2 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)		
a Sale, exchange, or leasing of property? <b>Schedule 17</b>	X	
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities? <b>Schedule 18</b>	X	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V Form 990	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below) <b>Sch 19</b>	X	
4 Do you have a section 403(b) annuity plan for your employees?	X	
<b>Note:</b> 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 5 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)(iii) 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)(vi) (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 5 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28)	109,602,297	99,429,777	97,397,683	90,656,902	397,086,659
<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	1,947,719	3,532,299	2,776,449	1,108,628	9,365,095
<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	1,056,954	1,165,294	1,429,445	1,324,411	4,976,104
<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	0	472,561	781,388	1,253,949
<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	112,606,970	104,127,370	102,076,138	93,871,329	412,681,807
<b>24</b> Line 23 minus line 17	110,659,251	100,595,071	99,299,689	92,762,701	403,316,712
<b>25</b> Enter 1% of line 23	1,126,070	1,041,274	1,020,761	938,713	

<b>26 Organizations described on lines 10 or 11:</b>	<b>a</b> Enter 2% of amount in column (e), line 24	▶	<b>26a</b>	8,066,334
<b>b</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 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts		▶	<b>26b</b>	206,490,146
<b>c</b> Total support for section 509(a)(1) test Enter line 24, column (e)		▶	<b>26c</b>	403,316,712
<b>d</b> Add Amounts from column (e) for lines	18 <u>4,976,104</u> 19 <u>0</u>		<b>26d</b>	211,466,250
	22 <u>0</u> 26b <u>206,490,146</u>		<b>26e</b>	191,850,462
<b>e</b> Public support (line 26c minus line 26d total)		▶	<b>26e</b>	191,850,462
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶	<b>26f</b>	47.57%

**27 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

(2001)	(2000)	(1999)	(1998)	
<b>b</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	(2001)	(2000)	(1999)	(1998)

<b>c</b> Add Amounts from column (e) for lines	15 _____ 16 _____		<b>27c</b>	
	17 _____ 20 _____ 21 _____		<b>27d</b>	
<b>d</b> Add Line 27a total _____ and line 27b total _____			<b>27e</b>	
<b>e</b> Public support (line 27c total minus line 27d total)			<b>27e</b>	
<b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e)		▶	<b>27f</b>	
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))		▶	<b>27g</b>	%
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		▶	<b>27h</b>	%

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
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	
41		0	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

**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)

	<b>Lobbying Expenditures During 4-Year Averaging Period</b>				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
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 11 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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0

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



Project HOPE-The People-to-People Health Foundation, Inc  
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**SCHEDULE 1**

Line 8, Part I, Page 1, Form 990

Gain (Loss) on Sale of Publicly traded securities

Sales Price	\$6,821,681
Cost Basis	<u>7,572,199</u>
Loss	<u><u>(\$750,518)</u></u>

Project HOPE-The People-to-People Health Foundation, Inc  
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**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	\$493,177
Transition of Center for Health Affairs*	<u>(444,482)</u>
Total	<u><u>\$48,695</u></u>

During 2003, the Foundation implemented a plan to exit and transition to a third party its domestic health policy research unit, the Center for Health Affairs. In connection with this plan, the Foundation accrued severance and other costs totaling \$444,482. The total cost expected to be incurred for the transition is approximately \$860,000, the remainder of which will be expenses in fiscal year 2004.

Project HOPE-The People-to-People Health Foundation, Inc  
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**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	\$12,027	\$2,469	\$9,558	
Gain/Loss on Currency Exchange	79,306	79,306		
Bank Charges/Credit Card Fees	105,435	92,525	(552)	13,462
Institutional Dues	34,441	33,591	850	
Bad Debt	41,167	41,167		
Support to Nat'l Org	38,258	38,258		
Other/Corrections	80,459	53,991	20,640	5,828
	<u>\$391,093</u>	<u>\$341,307</u>	<u>\$30,496</u>	<u>\$19,290</u>

Project HOPE-The People-to-People Health Foundation, Inc  
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**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 SS 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  
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**SCHEDULE 5**

Line 49, Part IV, Page 3, Form 990

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Grants and Contracts Receivable *	1,935,919	764,816

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

Project HOPE-The People-to-People Health Foundation, Inc  
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**SCHEDULE 6**  
**Line 54, Part IV, Page 3, Form 990**

Investments	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Certificates of Deposit	\$300,000	\$100,000
Treasury Notes	1,483,017	1,899,345
Corporate Bonds	1,735,923	1,468,228
Equity	4,943,373	4,740,727
Mutual Funds (Deferred Gifts)	530,812	800,543
	<u><u>\$8,993,125</u></u>	<u><u>\$9,008,843</u></u>

Project HOPE-The People-to-People Health Foundation, Inc  
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**SCHEDULE 7**  
Line 57, Part IV, Page 3, Form 990

Description	June 30, 2002		June 30, 2003		Current Yr Depreciation
	Cost	Acc Depr	Cost	Acc Depr	
Land	578,289		578,289		
Furniture, Fixtures & Equipment Life - Various	5,178,936	4,517,930	5,376,750	4,690,074	172,144
Leasehold Improvements Life = 3 Years S L	73,549	71,667	73,549	73,549	1,882
Land Improvements Life = 20 Years S L	592,629	569,449	607,083	576,052	6,603
Buildings Life - 45 Years S L	4,314,287	1,232,335	4,374,185	1,293,114	60,779
	<u>10,737,690</u>	<u>6,391,381</u>	<u>11,009,856</u>	<u>6,632,789</u>	<u>241,408</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  
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**SCHEDULE 8**

Line 58, Part IV, Page 3, Form 990

Other Assets	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Contributed Property held for Resale	\$18,000	\$18,000
Accrued Interest Receivable	48,628	45,838
Loan Program Fund Assets *	1,276,923	1,408,434
	<u>\$1,343,551</u>	<u>\$1,472,272</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  
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**SCHEDULE 9**  
Line 62, Part IV, Page 3, Form 990

Support and Revenue Designated for for Future Periods	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Subscriptions to Health Affairs Magazine	<u>453,739</u>	<u>466,957</u>
	<u>\$453,739</u>	<u>\$466,957</u>

Project HOPE-The People-to-People Health Foundation, Inc  
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**SCHEDULE 10**  
Line 65, Part IV, Page 3, Form 990

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Loan Program Funds*	\$1,276,923	\$1,408,434
Annuity Obligations	<u>506,735</u>	<u>630,826</u>
	<u>\$1,783,658</u>	<u>\$2,039,260</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  
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**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 \$6,974,750 and \$8,000,000 at June 30, 2003 and 2002, respectively, 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  
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**SCHEDULE 12**  
Part IV-A, Page 4, b(4) Form 990

Rental Expenses - Conference Center	\$505,725
Special Event Expenses - Global Awards Dinner	119,008
	<hr/>
Total	<u>\$624,733</u>

Project HOPE-The People-to-People Health Foundation, Inc  
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For the Fiscal Year Ended June 30, 2003

**SCHEDULE 13**

Part IV-B, Page 4, b(4) Form 990

Rental Expenses - Conference Center	\$505,725
Special Event Expenses - Global Awards Dinner	119,008
Transition for Center of Health Affairs*	444,482
	<hr/>
Total	<u>\$1,069,215</u>

During 2003, the Foundation implemented a plan to exit and transition to a third party its domestic health policy research unit, the Center for Health Affairs. In connection with this plan, the Foundation accrued severance and other costs totaling \$444,482. The total cost expected to be incurred for the transition is approximately \$860,000, the remainder of which will be expenses in fiscal year 2004.

PROJECT HOPE - The People-to-People Health Foundation Inc  
53-0242962  
For the Fiscal Year Ended June 30 2003  
Schedule and Response to Part V Schedule A Form 990  
LIST OF OFFICERS DIRECTORS AND TRUSTEES  
SCHEDULE 14

<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>Mr Arthur J Benvenuto</b> P O Box 365 Solana Beach CA 92075	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 Ivey 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 Clements</b> Executive Vice President 330 Madison Avenue Room 612 New York NY 10017	Note 1	None	None	None
<b>Mrs Edward N Cole</b> Bnarpatch 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> 56 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> Public Company Accounting Oversight Board 1666 K St NW 9th floor Washington DC 20006	Note 1	None	None	None
<b>Mr William L Henry</b> 1229 Washington Street Pittsburgh PA 15228	Note 1	None	None	None
<b>Dr Franz B Humer</b> Chairman and CEO F Hofman-LaRoche, Ltd CH-4070 Basel SWITZERLAND	Note 1	None	None	None
<b>Mr Robert A Ingram</b> Vice Chairman Pharmaceutical Operations GlaxoSmithKline Five Moore Drive	Note 1	None	None	None

Research Triangle Park NC 27709

<b>Mr Katsuto Kohtani</b> Advisor Agilent Technologies Japan Ltd 9-1 Takakura-Cho Hachioji-shi Tokyo 192-8510 JAPAN	Note 1	None	None	None
<b>Mr Goran S Malm</b> 1 Hill Road #11 02 The Horizon Singapore 249441	Note 1	None	None	None
<b>Mr Gerhard N Mayr</b> Executive Vice President Eli Lilly and Company Pharmaceutical Operations Lilly Corporate Center Indianapolis Indiana 46285	Note 1	None	None	None
<b>J Michael McQuade, Ph D</b> Division Vice President Medical Division 3M Company Building 275-4W-02 St Paul, MN 55144	Note 1	None	None	None
<b>Mr Dayton Ogden</b> Chairman SpencerStuart Worldwide 695 East Main Street – Bldg A-2 Stamford CT 06901	Note 1	None	None	None
<b>Mr Steven B Pfeiffer</b> Partner Fulbright & Jaworski L L P 801 Pennsylvania Ave NW Washington, DC 20004 2615	Note 1	None	None	None
<b>Mr James E Preston</b> Rock Hill Associates LLC 9 Maple Street – P O Box 859 Kent CT 06757	Note 1	None	None	None
<b>Mrs Felicia Warburg Rogan</b> President Oakencroft Vineyard and Winery Corp 1486 Oakencroft Lane Charlottesville, VA 22901	Note 1	None	None	None
<b>Mr Stephen H Rusckowski</b> Chief Executive Officer Cardiac & Monitoring Systems Philips Medical Systems 3000 Minuteman Road Andover MA 01810	Note 1	None	None	None
<b>Charles A Sanders, M D</b> Retired Chairman and CEO Glaxo Inc 100 Europa Drive #170 Chapel Hill NC 27517	Note 1	None	None	None
<b>Dr J Friedrich Sauerlander</b> Chief Executive Officer Manufacture des Montres Rolex S A La Haute Route 82 2502 Bienne SWITZERLAND	Note 1	None	None	None
<b>Mr Curt M Selquist</b> Company Group Chairman Johnson & Johnson Healthcare Systems 425 Hoes Lane Piscataway NJ 08855	Note 1	None	None	None

<b>Louis W Sullivan, M D</b> President Ementus Morehouse School of Medicine 720 Westview Drive SW Atlanta Georgia 30310-1495	Note 1	None	None	None
<b>Ms Karen E Welke</b> Retired Group V P 3M 4755 McDonald Drive North Stillwater MN	Note 1	None	None	None
<b>Mr Bradley A J Wilson</b> Riversdale Lodge Riversdale Bourne End Buckinghamshire SL8 5EB UNITED KINGDOM	Note 1	None	None	None

**OFFICERS**

<b>John P Howe, III M D</b> President and CEO Project HOPE-The People-to-People Health Foundation Inc 255 Carter Hall Lane Millwood VA 22646	Note 2	\$489,100	\$9,343	None
<b>Randy Wykoff, M D</b> Senior Vice President, International Operations Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane Millwood VA 22646	Note 2	\$170,659	\$9,279	None
<b>Marc L Berk, PhD</b> Vice President Health Policy Research Project HOPE-The People-to-People Health Foundation Inc 255 Carter Hall Lane Millwood VA 22646	Note 2	\$191,460	\$2,913	None
<b>Jack Bode</b> Vice President Fundraising & Communications, USA Project HOPE-The People to-People Health Foundation Inc 255 Carter Hall Lane Millwood VA 22646	Note 2	\$187,983	\$5,517	None
<b>Deborah Carl</b> 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	\$154,177	\$1,666	None
<b>John K Iglehart</b> 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	\$247,343	\$8,660	None
<b>Deborah R Iwig</b> Vice President and Chief Financial Officer Project HOPE-The People-to-People Health Foundation Inc 255 Carter Hall Lane Millwood VA 22646	Note 2	\$169,535	\$2,212	None

<b>TOTAL</b>		<b>\$1,610,257</b>	<b>\$39,590</b>	None
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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 a minimum of 40 hours a week.

Project HOPE-The People-to-People Health Foundation, Inc  
53-0242962  
For the Fiscal Year Ended June 30, 2003

**SCHEDULE 15**

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  
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**SCHEDULE 16**  
**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  
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**SCHEDULE 17**

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  
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**SCHEDULE 18**

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	\$137,825

During the year ended June 30, 2003 Spencer-Stuart Worldwide, an executive search service firm, provided services to Project HOPE in connection with its search for three 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  
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**SCHEDULE 19**

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.