Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2003

Open to Public Inspection

A For the 2003 calendar year, or tax year beginning July 1, 2003, and ending June 30, 2004

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) **255 Carter Hall Lane** Room/suite

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 Website: ▶ 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.**

I Group Exemption Number ▶

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 134,156,094

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue

1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a	97,156,257		
b	Indirect public support	1b	144,612		
c	Government contributions (grants)	1c	13,418,608		
d	**Total** (add lines 1a through 1c) (cash $ 28,868,548 noncash $ 81,850,929)			1d	110,719,477
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	5,754,461
3	Membership dues and assessments			3	0
4	Interest on savings and temporary cash investments			4	768
5	Dividends and interest from securities			5	924,357
6a	Gross rents	6a	192,759		
b	Less: rental expenses	6b	376,276		
c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	(183,517)
7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other
8a	Gross amount from sales of assets other than inventory	16,184,484	8a	8,962
b	Less: cost or other basis and sales expenses	16,126,659	8b	0
c	Gain or (loss) (attach schedule) Sch. 1	57,825	8c	8,962

d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	66,787
9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐				
a	Gross revenue (not including $ 20,873 of contributions reported on line 1a)	9a	0		
b	Less: direct expenses other than fundraising expenses	9b	16,282		
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	(16,282)
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	0
11	Other revenue (from Part VII, line 103)			11	370,826
12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	117,636,877

Expenses

13	Program services (from line 44, column (B))	13	119,281,556
14	Management and general (from line 44, column (C))	14	3,790,171
15	Fundraising (from line 44, column (D))	15	4,913,130
16	Payments to affiliates (attach schedule)	16	
17	**Total expenses** (add lines 16 and 44, column (A))	17	127,984,857

Net Assets

18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	(10,347,980)
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	47,045,989
20	Other changes in net assets or fund balances (attach explanation) Schedule 2	20	(363,832)
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	36,334,177

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For Paperwork Reduction Act Notice, see the separate instructions. MGA Form **990** (2003)

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 22 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 $ 3,724,144 noncash $)	22	3,724,144	3,724,144		
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	1,772,129	817,557	844,977	109,595
26 Other salaries and wages	26	9,506,052	8,360,558	771,053	374,441
27 Pension plan contributions	27				
28 Other employee benefits	28	2,704,288	2,154,823	432,943	116,522
29 Payroll taxes	29	775,365	675,600	67,982	31,783
30 Professional fundraising fees	30				
31 Accounting fees	31	104,000		104,000	
32 Legal fees	32	29,822	2,496	27,326	
33 Supplies	33	92,942,168	92,910,528	20,437	11,203
34 Telephone	34	690,691	584,709	76,300	29,682
35 Postage and shipping	35	1,812,199	362,529	7,857	1,441,813
36 Occupancy	36	2,287,901	1,656,945	447,146	183,810
37 Equipment rental and maintenance	37				
38 Printing and publications	38	1,926,164	688,606	29,329	1,208,229
39 Travel	39	3,910,391	3,734,854	130,804	44,733
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize) a	43a				
b	43b				
c Computer and Data Processing	43c	1,766,509	940,393	410,984	415,132
d Other Professional Fees	43d	3,330,590	2,230,532	186,287	913,771
e Miscellaneous (See Schedule 4)	43e	702,444	437,282	232,746	32,416
44 Total functional expenses (add lines 22 through 43) *Organizations completing columns (B)-(D), carry these totals to lines 13—15*	44	127,984,857	119,281,556	3,790,171	4,913,130

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 25 of the instructions.)

What is the organization's primary exempt purpose? ▶ **Int'l and Domestic Health Education Programs**

All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	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 5)** (Grants and allocations $ 3,657,492)	114,284,175
b **Health Policy Programs - Conducts health policy research in order to help policymakers 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-Sch 5)** (Grants and allocations $ 66,652)	4,997,381
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) ▶	119,281,556

Part IV **Balance Sheets** (See page 25 of the instructions.)

	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			2,380,237	45	2,208,470
	46 Savings and temporary cash investments			4,952,661	46	4,561,018
	47a Accounts receivable	47a	62,019			
	b Less: allowance for doubtful accounts	47b		115,255	47c	62,019
	48a Pledges receivable	48a	2,724,791			
	b Less: allowance for doubtful accounts	48b	212,911	5,898,361	48c	2,511,880
	49 Grants receivable Schedule 6			764,816	49	3,611,943
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less: allowance for doubtful accounts	51b		0	51c	0
	52 Inventories for sale or use			23,216,205	52	15,368,481
	53 Prepaid expenses and deferred charges			103,687	53	110,013
	54 Investments—securities (attach schedule) Sch 7 ▶ ☐ Cost ☒ FMV			9,008,843	54	9,897,747
	55a Investments—land, buildings, and equipment: basis	55a				
	b Less: accumulated depreciation (attach schedule)	55b		0	55c	0
	56 Investments—other (attach schedule)				56	
	57a Land, buildings, and equipment: basis	57a	11,277,848			
	b Less: accumulated depreciation (attach schedule) Schedule 8	57b	6,890,764	4,377,067	57c	4,387,084
	58 Other assets (describe ▶ See Attached Schedule 9)			1,472,272	58	1,619,455
	59 **Total assets** (add lines 45 through 58) (must equal line 74)			52,289,404	59	44,338,110
Liabilities	60 Accounts payable and accrued expenses			2,737,198	60	5,068,732
	61 Grants payable				61	
	62 Deferred revenue Schedule 10			466,957	62	626,032
	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 11)			2,039,260	65	2,309,169
	66 **Total liabilities** (add lines 60 through 65)			5,243,415	66	8,003,933
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted Schedule 12			12,220,295	67	12,167,294
	68 Temporarily restricted			33,365,014	68	22,704,489
	69 Permanently restricted			1,460,680	69	1,462,394
	Organizations that do not follow SFAS 117, check here ▶ ☐ 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 **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21)			47,045,989	73	36,334,177
	74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			52,289,404	74	44,338,110

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 IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements ▶		a	119,727,744
b	Amounts included on line **a** but not on line 12, Form 990:			
(1)	Net unrealized gains on investments	$ 646,362		
(2)	Donated services and use of facilities	$ 1,051,947		
(3)	Recoveries of prior year grants	$		
(4)	Other (specify): See Attached Schedule 13	$ 392,558		
	Add amounts on lines **(1)** through **(4)** ▶		b	2,090,867
c	Line **a** minus line **b**. ▶		c	117,636,877
d	Amounts included on line 12, Form 990 but not on line **a:**			
(1)	Investment expenses not included on line 6b, Form 990	$		
(2)	Other (specify):	$		
	Add amounts on lines **(1)** and **(2)** ▶		d	0
e	Total revenue per line 12, Form 990 (line **c** plus line **d**) ▶		e	117,636,877

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶		a	130,439,555
b	Amounts included on line **a** but not on line 17, Form 990:			
(1)	Donated services and use of facilities	$ 1,051,947		
(2)	Prior year adjustments reported on line 20, Form 990	$		
(3)	Losses reported on line 20, Form 990	$		
(4)	Other (specify): See Attached Schedule 14	$ 1,402,751		
	Add amounts on lines **(1)** through **(4)** ▶		b	2,454,698
c	Line **a** minus line **b** ▶		c	127,984,857
d	Amounts included on line 17, Form 990 but not on line **a:**			
(1)	Investment expenses not included on line 6b, Form 990.	$		
(2)	Other (specify):	$		
	Add amounts on lines **(1)** and **(2)** ▶		d	0
e	Total expenses per line 17, Form 990 (line **c** plus line **d**) ▶		e	127,984,857

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
See Attached Schedule 15	TOTAL	1,662,534	47,280	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ▶ ☐ Yes ☒ No
If "Yes," attach schedule—see page 28 of the instructions.

Part VI Other Information (See page 28 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	76		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	77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	78b	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		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?	80a		X
b	If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt **or** ☐ nonexempt.			
81a	Enter direct and indirect political expenditures. See line 81 instructions — 81a			
b	Did the organization file **Form 1120-POL** for this year?	81b		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?	82a	X	
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 1,051,946			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	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.			
c	Dues, assessments, and similar amounts from members — 85c			
d	Section 162(e) lobbying and political expenditures — 85d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
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	
86	*501(c)(7) orgs.* Enter: **a** Initiation fees and capital contributions included on line 12 — 86a			
b	Gross receipts, included on line 12, for public use of club facilities — 86b			
87	*501(c)(12) orgs.* Enter: **a** Gross income from members or shareholders — 87a			
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 ▶ ______			
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 16

b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) 90b 187

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 33 of the instructions.)

Note: *Enter gross amounts unless otherwise indicated.*

		Unrelated business income		Excluded by section 512, 513, or 514		(E)
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93	Program service revenue:					
a	Subscription Revenue					1,320,091
b	International Health Programs					4,434,370
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	768	
96	Dividends and interest from securities			14	924,357	
97	Net rental income or (loss) from real estate.					
a	debt-financed property					
b	not debt-financed property	532000	(184,517)	16	1,000	
98	Net rental income or (loss) from personal property					
99	Other investment income			18	66,787	
100	Gain or (loss) from sales of assets other than inventory					
101	Net income or (loss) from special events			01	(16,282)	
102	Gross profit or (loss) from sales of inventory					
103	Other revenue: a Mailing List Royalties			13	370,826	
b						
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E))		(184,517)		1,347,456	5,754,461
105	**Total** (add line 104, columns (B), (D), and (E)) ▶					6,917,400

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 34 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 provice health education programs in foreign countries which contribute to the solutions of international health problems. (See Schedule 5)

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 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 34 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).*

Please Sign

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.

▶ Deborah R. King — Signature of officer — Date 2/1/05

[redacted]

CFO and Vice President

Date 2/3/2005 — Check if self-employed ▶ ☐ — Preparer's SSN or PTIN (See Gen Inst W) P00511122

[redacted]

SCHEDULE A (Form 990 or 990-EZ) Department of the Treasury Internal Revenue Service	**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.)** ▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ	OMB No. 1545-0047 2003

Name of the organization	Employer identification number
PROJECT HOPE - The People- to-People Health Foundation Inc.	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 Affairs40 hrs	160,000	12,718	0
Fitzhugh Mullan 255 Carter Hall Lane, Millwood, VA 22646	Contributing Editor for Health Affairs40	112,417	7,513	0
Jack Blanks 255 Carter Hall Lane, Millwood, VA 22646	Regional Director 40 hrs.	130,406	6,928	0
Douglas W. Palmer 255 Carter Hall Lane, Millwood, VA 22646	Program Director, Chief of Party 40 hrs.	103,750	6,363	0
Shell Y. Xue 255 Carter Hall Lane, Millwood, VA 22646	National Programs Director, China 40 hr	99,714	5,419	0
Total number of other employees paid over $50,000 . . . . ▶	61			

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 17) 6116 Executive Blvd, Suite 415, Rockville, MD 20852	Printers, Fund Raising	820,826
IPC Communications Services Dept. 77-9122, Chicago, IL 60678-9122	Mailing Service	193,501
Adams & Hussey 1401 I Street, NW, Suite 650, Washington, DC 20005	Fund-raising Counsel	291,574
DPM Unlimited, Inc. 3309-1 Hubbard Rd., Landover, MD 20785	Mailing Service	281,463
Public Interest Data, Inc. 1800 Diagonal Rd., Suite 400, Alexandria, VA 22314	Fund-raising Database Management	229,031
Total number of others receiving over $50,000 for professional services . . . . ▶		

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 i of Part VI-B.)	1		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? Schedule 18	2a	X	
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? Schedule 19	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? See Part V	2d	X	
e	Transfer of any part of its income or assets? Form 990	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) Schedule 20	3a	X	
b	Do you have a section 403(b) annuity plan for your employees?	3b	X	
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4		X

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)(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 33⅓%** 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 33⅓%** 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	121,575,902	109,602,297	99,429,777	97,397,683	428,005,659
16 Membership fees received					0
17 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	3,556,283	1,947,719	3,532,299	2,776,449	11,812,750
18 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	930,171	1,056,954	1,165,294	1,429,445	4,581,864
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 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	0	472,561	472,561
22 Other income Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	126,062,356	112,606,970	104,127,370	102,076,138	444,872,834
24 Line 23 minus line 17	122,506,073	110,659,251	100,595,071	99,299,689	433,060,084
25 Enter 1% of line 23	1,260,624	1,126,070	1,041,274	1,020,761	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 8,661,202

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 1999 through 2002 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 230,686,969

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 433,060,084

d Add: Amounts from column (e) for lines: 18 4,581,864 19 0 22 0 26b 230,686,969 ▶ 26d 235,268,833

e Public support (line 26c minus line 26d total) ▶ 26e 197,791,251

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 45.67 %

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:

(2002) .... (2001) .... (2000) .... (1999) ....

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·

(2002) .... (2001) .... (2000) .... (1999) ....

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c

d Add: Line 27a total ______ and line 27b total ______ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ 27f

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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?	29		
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?	30		
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?	31		
	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?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	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?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	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	35		

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
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—	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		

If the amount on line 40 is—	The lobbying nontaxable amount is—
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

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.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(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 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.**)			

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of.			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 1
Line 8, Part I, Page 1, Form 990

Gain (Loss) on Sale of Publicly traded securities:

Sales Price	$16,184,484
Cost Basis	16,126,659
Gain	$57,825

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

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	$646,362
Transistion of Center for Health Affairs*	(1,010,194)
Total	($363,832)

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 transistion is approximately $1,455,000, the remainder of which will be expensed and accrued in fiscal year 2005.

Project HOPE-The People-to-People Health Foundation, Inc.
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SCHEDULE 3
Line 22, Part II, Page 2, Form 990

Grants and Allocations:	
Honorariums	$66,171
Scholarships & Student Stipends	69,940
Other Awards and Grants	3,588,033
	$3,724,144

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 4
Line 43(e), Part II, Page 2, Form 990

Other Expenses:

	(A) Total	(B) Program Services	(C) Mgmnt & General	(D) Fundraising
Licenses & Permits	$14,957	$423	$14,534	
Gain/Loss on Currency Exchange	(14,611)	(14,611)		
Bank Charges/Credit Card Fees	156,733	147,626	10,073	(966)
Institutional Dues	35,299	34,789	400	110
Bad Debt	0	0		
Support to Nat'l Org.	5,625	5,625		
Value-Added Tax	5,666	5,666		
Other/Corrections	498,775	257,764	207,739	33,272
	$702,444	$437,282	$232,746	$32,416

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 5
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.
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For the Fiscal Year Ended June 30, 2004
SCHEDULE 6
Line 49, Part IV, Page 3, Form 990

	June 30, 2003	June 30, 2004
Grants and Contracts Receivable *	764,816	3,611,943

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.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 7
Line 54, Part IV, Page 3, Form 990

Investments:	June 30, 2003	June 30, 2004
Certificates of Deposit	$100,000	$0
Treasury Notes	1,899,345	1,507,210
Corporate Bonds	1,468,228	128,000
Equity	4,740,727	6,027,566
Mutual Funds (Deferred Gifts)	800,543	1,355,366
Managed hedge funds and futures contracts	0	880,000
	$9,008,843	$9,898,142

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 8
Line 57, Part IV, Page 3, Form 990

Description:	June 30, 2003		June 30, 2004		
	Cost	Acc. Depr.	Cost	Acc. Depr.	Current Yr Depreciation
Land	578,289		602,888		
Furniture, Fixtures & Equipment Life - Various	5,376,750	4,690,074	5,572,158	4,862,835	172,761
Leasehold Improvements Life = 3 Years S.L.	73,549	73,549	72,999	72,999	(550)
Land Improvements Life = 20 Years S.L.	607,083	576,052	675,115	612,073	36,021
Buildings Life - 45 Years S L.	4,374,185	1,293,114	4,354,688	1,342,857	49,743
	11,009,856	6,632,789	11,277,848	6,890,764	257,975

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, 2004

SCHEDULE 9
Line 58, Part IV, Page 3, Form 990

Other Assets:	June 30, 2003	June 30, 2004
Contributed Property held for Resale	$18,000	$18,000
Accrued Interest Receivable	45,838	0
Loan Program Fund Assets *	1,408,434	1,601,455
	$1,472,272	$1,619,455

*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, 2004

SCHEDULE 10
Line 62, Part IV, Page 3, Form 990

Support and Revenue Designated for for Future Periods:	June 30, 2003	June 30, 2004
Subscriptions to Health Affairs Magazine	466,957	626,032
	$466,957	$626,032

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 11
Line 65, Part IV, Page 3, Form 990

	June 30, 2003	June 30, 2004
Loan Program Funds*	$1,408,434	$1,601,455
Annuity Obligations	630,826	707,714
	$2,039,260	$2,309,169

*** 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, 2004

SCHEDULE 12
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 unforseen events that might threaten the continued viability of the Foundation. The Board-designated amount was $6,741,648 and $6,974,750 at June 30, 2004 and 2003, 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.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 13
Part IV-A, Page 4, b(4) Form 990

Rental Expenses - Conference Center	$376,276
Special Event Expenses - Global Awards Dinner	16,282
Total	$392,558

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Fiscal Year Ended June 30, 2004

SCHEDULE 14
Part IV-B, Page 4, b(4) Form 990

Rental Expenses - Conference Center	$376,276
Special Event Expenses - Global Awards Dinner	16,282
Transition for Center of Health Affairs*	1,010,193
Total	$1,402,751

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 transistion 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, 2004
Schedule and Response to Part V, Schedule A, Form 990
LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
SCHEDULE 15

NAME, ADDRESS, & TITLE	TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT AND OTHER ALLOWANCES
BOARD MEMBERS.				
Mr. Arthur J. Benvenuto P O Box 365 Solana Beach, CA 92075	Note 1	None	None	None
Mr. Arno Bohn Bohn Consulting Kaiser-Joseph-Str 243 79098 Freiburg GERMANY	Note 1	None	None	None
Jo Ivey Boufford, M.D. 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
Mr. C L Clemente Executive Vice President 240 East 39th Street #31H New York, NY 10016	Note 1	None	None	None
Mrs. Edward N. Cole Briarpatch Ranch County Road 179 West at Mandosa P O Box 1086 Lockhart, TX 78644	Note 1	None	None	None
Linda Distlerath, Ph.D. VicePresident, Global Health Policy Merck & Co , Inc One Merck Drive P O Box 100 Whitehouse Station, NJ 08889-0100				
Mr. John W. Galiardo 56 Crooked Tree Lane Princeton, NJ 08540	Note 1	None	None	None
Jack M. Gill, Ph.D. President The Gill Foundation 1330 Post Oak Boulevard, Ste 1575	Note 1	None	None	None
Houston, TX 77056	Note 1	None	None	None
Sue Desmond-Hellmann, M.D Executive Vice President, Development and Product Operations & Ceief Medical Officer Genetech, Inc 1 DNA Way South San Francisco, CA 94080	Note 1	None	None	None
Mr. William L. Henry 1229 Washington Street Pittsburgh, PA 15228	Note 1	None	None	None
Dr. Franz B. Humer	Note 1	None	None	None

Chairman and CEO F Hofman-LaRoche, Ltd CH-4070 Basel SWITZERLAND				
Mr. Robert A. Ingram Vice Chairman, Pharmaceutical Operations GlaxoSmithKline Five Moore Drive Research Triangle Park, NC 27709	Note 1	None	None	None
Mr. Katsuto Kohtani Advisor Agilent Technologies Japan, Ltd 9-1 Takakura-Cho Hachioji-shi Tokyo 192-8510 JAPAN	Note 1	None	None	None
Mr. Goran S Malm 1 Holt Road, #11-02 The Horizon Singapore 249441	Note 1	None	None	None
Mr. Gerhard N. Mayr 95 Eaton Square London SW1 W9AQ, U K	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 Fulbright & Jaworski, L L P 801 Pennsylvania Ave , NW Washington, DC 20004-2615	Note 1	None	None	None
Mr. James E Preston Rock Hill Associates, LLC 9 Maple Street – P O Box 859 Kent, CT 06757	Note 1	None	None	None
Mr. Stephen H. Rusckowski Chief Executive Officer Cardiac & Monitoring Systems Philips 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 Bienne, SWITZERLAND	Note 1	None	None	None
Mr. Curt M. Selquist Company Group Chairman Johnson & Johnson Healthcare Systems 425 Hoes Lane	Note 1	None	None	None

Piscataway, NJ 08855				
Louis W. Sullivan, M.D President Emeritus Morehouse School of Medicine 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 Bourne End Buckinghamshire SL8 5EB UNITED KINGDOM	Note 1	None	None	None
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	$508,750	$14,288	None
Randy Wykoff, M D Senior Vice President, International Operations Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane Millwood, VA 22646	Note 2	$222,488	$17,714	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	$347,402	$4,212	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	$155,029	$14,703	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	$247,667	$14,319	None
Deborah R Iwig Vice President and Chief Financial Officer Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane Millwood, VA 22646	Note 2	$181,198	$8,001	None
TOTAL		**$1,662,534**	**$73,237**	None

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, 2004

SCHEDULE 16
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
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SCHEDULE 17
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, 2003

SCHEDULE 18
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, 2003

SCHEDULE 19
Line 2c, Part III, Schedule A, Form 990

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, 2004

SCHEDULE 20
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.