

Return of Organization Exempt From Income Tax

2005

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 2005 calendar year, or tax year beginning July 1, 2005, and ending June 30, 2006

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 for 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) _____

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 N/A
H(c) Are all affiliates included? N/A 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 chooses to file a return, be sure to file a complete return Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 153,441,060

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

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

1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	132,746,830	
	b Indirect public support	1b	155,360	
	c Government contributions (grants)	1c	11,955,596	
	d Total (add lines 1a through 1c) (cash \$ <u>38,303,937</u> noncash \$ <u>106,553,849</u>)	1d		144,857,786
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		1,752,936
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4		303,226
	5 Dividends and interest from securities	5		961,672
	6a Gross rents	6a	178,595	
	b Less: rental expenses	6b	280,578	
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		-101,983
	7 Other investment income (describe _____)	7		
	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
		4,853,732	8a	24,118
	b Less: cost or other basis and sales expenses	4,188,140	8b	0
	c Gain or (loss) (attach schedule) Sched 1	665,592	8c	24,118
	d Net gain or (loss) (combine line 8c, columns (A) and (B))		8d	689,710
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a Gross revenue (not including \$ <u>1,043,000</u> of contributions reported on line 1a)	9a	27,900	
	b Less: direct expenses other than fundraising expenses	9b	282,790	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		-254,890
	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		481,095
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11).	12		148,689,552
	13 Program services (from line 44, column (B))	13		137,707,500
	14 Management and general (from line 44, column (C))	14		4,578,464
	15 Fundraising (from line 44, column (D))	15		6,934,992
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses (add lines 16 and 44, column (A))	17		149,220,956
	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		-531,404
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		44,378,627
	20 Other changes in net assets or fund balances (attach explanation). Schedule 2	20		194,106
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		44,041,329

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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 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) Sch 3 (cash \$ 442,438 noncash \$ _____) If this amount includes foreign grants check here <input type="checkbox"/>	442,438	442,438		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	2,004,137	521,707	1,271,063	211,367
26	Other salaries and wages	11,225,045	9,629,254	898,942	696,849
27	Pension plan contributions				
28	Other employee benefits	2,726,066	2,095,216	463,806	167,044
29	Payroll taxes	1,060,304	850,408	147,747	62,149
30	Professional fundraising fees	1,042,416			1,042,416
31	Accounting fees	234,768	4,215	230,553	
32	Legal fees	45,613	17,017	27,996	600
33	Supplies	109,460,344	109,391,742	27,375	41,227
34	Telephone	574,315	473,432	61,112	39,771
35	Postage and shipping	2,008,996	440,610	46,458	1,521,928
36	Occupancy	2,477,097	1,877,036	424,622	175,439
37	Equipment rental and maintenance				
38	Printing and publications	2,306,044	726,643	61,433	1,517,968
39	Travel	5,027,194	4,556,184	269,489	201,521
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule) 9	478,243	373,563	71,471	33,209
43	Other expenses not covered above (itemize):				
a	Honorariums	34,350	34,350		
b	Subcontracts (See Schedule 4)	3,542,866	3,542,866		
c	Computer and Data Processing	1,563,636	763,498	354,686	445,452
d	Other Professional Fees	2,563,016	1,627,536	213,510	721,970
e	Miscellaneous (See Schedule 5)	404,068	339,785	8,201	56,082
f					
g					
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	149,220,956	137,707,500	4,578,464	6,934,992

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 the instructions.)

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.

What is the organization's primary exempt purpose? ▶ Int'l and Domestic Health Education Programs	Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others.)</small>
<p>a Humanitarian Assistance (See attached - Schedule 6) Provide humanitarian assistance in the form of medical care and gifts-in-kind to improve health and save lives in countries where a dire need exists.</p> <p>(Grants and allocations \$ 233,324) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	108,538,541
<p>b Women's and Children's Health (See attached - Schedule 6) Deliver a range of health-related activities that restore and develop health-oriented communities in locales where disaster, disease, poverty and poor access to medical resources leave women and children vulnerable</p> <p>(Grants and allocations \$ 39,148) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	9,390,650
<p>c Infectious Disease (See attached - Schedule 6) Continue to offer and expand programs around the world that address the prevention, treatment, management and social impact of HIV/AIDS and tuberculosis.</p> <p>(Grants and allocations \$ 10,774) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	7,924,244
<p>d Health Training and Facilities (See attached - Schedule 6) Project HOPE is a leader in the train-the-trainer model to influence the delivery of health care beyond the regions that are home to its offices or program sites. As a result of its training programs, Project HOPE is uniquely qualified to assess the health care facilities and equipment required to deliver sustainable health care outcomes</p> <p>(Grants and allocations \$ 159,192) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	7,121,319
<p>e Other program services (attach schedule) Health Policy Programs (see Schedule 6) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	4,732,746
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services). ▶</p>	137,707,500

Part III, line e, Health Policy Programs

Conduct health policy research to help policy-makers formulate innovative solutions to health care challenges. Publishes Health Affairs Journal to educate and inform national and international audiences about trends in health care policy.

Part IV Balance Sheets (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
Assets	45 Cash—non-interest-bearing			2,621,401	45	1,996,509
	46 Savings and temporary cash investments			5,951,442	46	4,941,051
	47a Accounts receivable	47a	98,172			
	b Less: allowance for doubtful accounts	47b		62,681	47c	98,172
	48a Pledges receivable	48a	7,057,875			
	b Less: allowance for doubtful accounts	48b	481,884	4,231,469	48c	6,575,991
	49 Grants receivable SEE SCHEDULE 7			4,119,776	49	2,471,811
	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			16,494,605	52	15,455,134
	53 Prepaid expenses and deferred charges			187,717	53	425,878
	54 Investments—securities (attach schedule) Sch 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV			15,751,893	54	17,711,859
	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	10,645,186				
b Less: accumulated depreciation (attach schedule) SEE SCHEDULE 9	57b	6,028,173	4,396,707	57c	4,617,013	
58 Other assets (describe <input type="checkbox"/> See Attached Schedule 10)			1,644,269	58	1,625,750	
59 Total assets (must equal line 74). Add lines 45 through 58.			55,461,960	59	55,919,168	
Liabilities	60 Accounts payable and accrued expenses			6,208,155	60	7,108,210
	61 Grants payable				61	
	62 Deferred revenue SEE SCHEDULE 11			2,407,863	62	2,272,096
	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 12)			2,467,315	65	2,497,533	
66 Total liabilities. Add lines 60 through 65			11,083,333	66	11,877,839	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted SEE SCHEDULE 13			13,799,708	67	14,996,395
	68 Temporarily restricted			29,114,601	68	27,579,200
	69 Permanently restricted			1,464,318	69	1,465,734
	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 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)			44,378,627	73	44,041,329	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73.			55,461,960	74	55,919,168	

Part VI Other Information (continued)

		Yes	No
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	
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	2,398,921		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
84b			N/A
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
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
85b			N/A
c	Dues, assessments, and similar amounts from members		N/A
85c			N/A
d	Section 162(e) lobbying and political expenditures		N/A
85d			N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85e			N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85f			N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
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?		N/A
85h			N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		N/A
86a			N/A
b	Gross receipts, included on line 12, for public use of club facilities		N/A
86b			N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		N/A
87a			N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		N/A
87b			N/A
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		X
88			X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A ; section 4912 ▶ N/A ; section 4955 ▶ N/A		
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		X
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		N/A
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ N/A		N/A
90a	List the states with which a copy of this return is filed ▶ See Attached Schedule J7		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		175
90b			175
91a	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		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See Attached Schedule I8 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	X	
91b		X	
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ See Attached Schedule I9	X	
91c		X	
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		N/A

Part VII Analysis of Income-Producing Activities (See 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:					
a Subscription Revenue					1,752,936
b					
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	303,226	
96 Dividends and interest from securities			14	961,672	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	721000	1,000	16	-102,983	
98 Net rental income or (loss) from personal property					
99 Other investment income	525990	512	18	689,198	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	-254,890	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Mailing List Royalties			13	454,648	
b Alumni Assoc fees to offset meeting exp					26,447
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		1,512		2,050,871	1,779,383
105 Total (add line 104, columns (B), (D), and (E))					3,831,766

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 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 health care policy education to private organizations and the public.
103b	Fees charged to offset alumni meetings

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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	%			
	%			
	%			
	%			

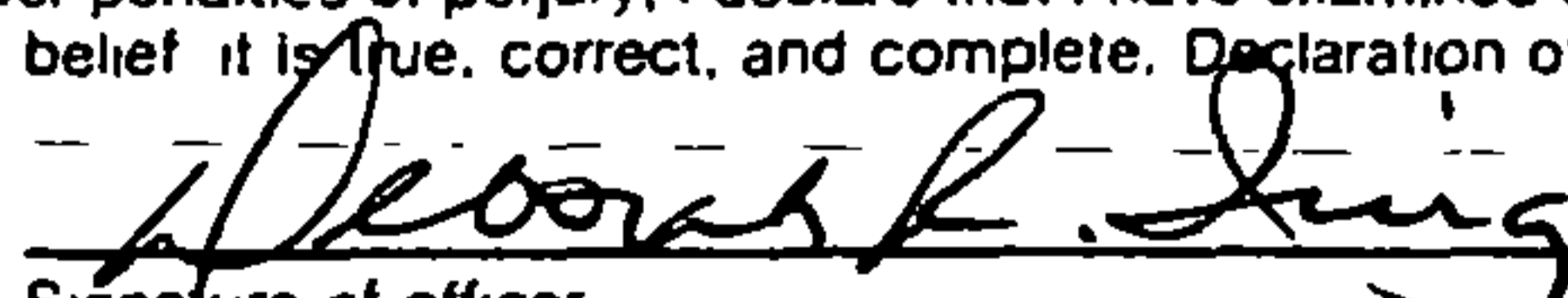
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(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.

Please Sign Here:  Date: 11/27/06

Signature of officer: Deborah R. Iwig
Type or print name and title: CFO and Vice President

Paid Preparer's Use Only: Preparer's signature:  Date: 11/21/06 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. W): P00451522

Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP, 2001 M STREET, NW, WASHINGTON, DC 20036
EIN: [unclear] Phone no: 202-533-3000

WASHINGTON, DC 20036

EIN: 13-5565207

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 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

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

Name of the organization PROJECT HOPE - The People- to-People Health Foundation Inc	Employer identification number 53-0242962
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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	173,047	12,335	N/A
Renslow D Sherer, Jr 255 Carter Hall Lane, Millwood, VA 22646	Director, HIV/AIDS/STI 40 hrs	130,262	8,718	N/A
Jack Blanks 255 Carter Hall Lane, Millwood, VA 22646	Regional Director 40 hrs	142,815	6,868	N/A
Douglas W Palmer 255 Carter Hall Lane, Millwood, VA 22646	Program Director, Chief of Party 40 hrs	131,290	6,326	N/A
Frederick Gerber 255 Carter Hall Lane, Millwood, VA 22646	Country Director, Iraq/Special Projects	152,995	5,277	N/A
Total number of other employees paid over \$50,000 ▶	77			

Part II-A 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
Bennett Kuhn Varner, Inc Buckhead Center, Ste 700 2964 Peachtree Rd, Atlanta GA 30305	Direct Response Marketing Consulting	1,966,600
KPMG, LLP 2001 M St, NW, Washington DC 20037	Auditing and tax services	165,450
Development Resources Incorporated 1601 N Kent Street, Suite 1200, Arlington, VA 22209	Strategic fundraising and communications consulting	200,497
Lipman Hearme, Inc. 1899 L St., NW, Ste 850, Washington D C. 20036	Market research & strategic planning	193,517
IPC Communications Services Dept. 77-9122, Chicago, IL 60678-9122	Print quarterly journal	261,492
Total number of others receiving over \$50,000 for professional services. SEE SCHEDULE 20 ▶	13	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Public Interest Data, Inc. 1800 Diagonal Rd, Suite 400, Alexandria, VA 22314	Fund-raising Database Management	237,449
Carol Enters List Company 9663-C Main Street, Fairfax, Virginia 22032	Direct marketing list service	139,180
High Wire Press Stanford University	Internet library of journals	56,082
RSM McGladrey Employer Services 3600 Mansell Rd, Ste	Human Resources and payroll data processing	65,465
Sheads & Associates, Ltd. 303 Post Office Rd Ste A, Waldorf MD 20602	Direct mail processing	60,473
Total number of other contractors receiving over \$50,000 for other services SEE SCHED. 20 ▶	0	

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

	Yes	No
<p>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)</p> <p>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.</p>		X
2a Sale, exchange, or leasing of property? SEE SCHEDULE 21	X	
2b Lending of money or other extension of credit?		X
2c Furnishing of goods, services, or facilities? SEE SCHEDULE 22	X	
2d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART 5, FORM 990	X	
2e Transfer of any part of its income or assets?		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.) SEE SCHEDULE 23	X	
3b Do you have a section 403(b) annuity plan for your employees?	X	
3c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
4b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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 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)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ► Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28.)	133,888,110	118,322,816	121,575,902	109,602,297	483,389,125
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	4,837,009	-1,043,784	3,556,283	1,947,719	9,297,227
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	1,361,504	1,202,063	930,171	1,056,954	4,550,692
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
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	140,086,623	118,481,095	126,062,356	112,606,970	497,237,044
24 Line 23 minus line 17	135,249,614	119,524,879	122,506,073	110,659,251	487,939,817
25 Enter 1% of line 23	1,400,866	1,184,811	1,260,624	1,126,070	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 9,758,796
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 219,412,768
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 487,939,817
d Add: Amounts from column (e) for lines: 18 <u>4,550,692</u> 19 <u>0</u>					
22 <u>0</u> 26b <u>219,412,768</u>					26d 223,963,460
e Public support (line 26c minus line 26d total)					26e 263,976,357
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 54.10%
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: (2004) (2003) (2002) (2001)					
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 11b, 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 (2004) (2003) (2002) (2001)					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					
17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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

Limits on Lobbying Expenditures		(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— 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	41	
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) **N/A**

(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				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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	
		N/A

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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For the Year Ended June 30, 2006

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

Gain (Loss) on Sale of Publicly traded securities:

	Total
Sales Price	4,853,732
Cost Basis	<u>4,188,140</u>
Gain	<u><u>\$665,592</u></u>

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

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	\$206,139
Gain (loss) on foreign currency	<u>(12,033)</u>
Total	<u><u>\$194,106</u></u>

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 3
Line 22, Part II, Page 2, Form 990

Grants and Allocations:

Fellowships	\$209,114
Village Health Bank Grants	\$233,324
	<u>\$442,438</u>

Project HOPE-The People-to-People Health Foundation, Inc.
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SCHEDULE 4

Line 43b, Part II, Page 2, Form 990

Subcontracts:

American Red Cross	\$276,521
Futures Group International	\$450,494
JHPIEGO Corporation	\$79,918
American College of Nurse Midwives	\$5,476
Save the Children, Inc.	\$883,025
Chemonics International, Inc.	\$15,635
New Jersey Medical School Nat'l TB Center	\$88,938
Johns Hopkins	\$92,830
John Snow, Inc.	\$319,875
Camris International, Inc.	\$342,222
ABT Associates, Inc.	\$63,211
Coastal Family Health Center	\$400,000
Lithuanian Aids Centre	\$46,520
Jordan University Science & Technology	\$66,700
Center for Development & Health Changes	\$117,475
George Washington University	\$127,146
Miscellaneous	\$166,880
	<u>\$3,542,866</u>

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 5
Line 43(e), Part II, Page 2, Form 990

Other Expenses:

	(A) Total	(B) Program Services	(C) Mgmt & General	(D) Fundraising
Licenses & Permits	\$8,658	\$8,272	\$186	\$200
Bank Charges/Credit Card Fees	\$137,557	\$92,305	10,944	\$34,308
Institutional Dues	\$64,297	\$63,165	1,132	0
Bad Debt	\$691	\$691		
Value-Added Tax	\$33,994	\$33,994		
Other/Corrections	\$158,871	\$141,358	(4,061)	21,574
	<u>\$404,068</u>	<u>\$339,785</u>	<u>\$8,201</u>	<u>\$56,082</u>

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 6
Part III, Page 2, Form 990

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

Project HOPE -The People-to-People Health Foundation, Inc., is an independent, international non-profit health education and humanitarian assistance organization founded in 1958. Identifiable to many by the S.S. HOPE, the world's first peacetime hospital ship, Project HOPE has conducted programs in more than 90 countries worldwide. Today, Project HOPE operates in 30 nations and directs more than 70 programs in Africa, the Americas and the Caribbean, Asia and the Middle East, Central and Eastern Europe; and Russia and Central Asia.

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 sustainable, long-term solutions, independent from outside assistance.

Project HOPE has capabilities in a variety of health and medical 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 also is recognized for its design and development of health facilities and for providing humanitarian assistance.

Project HOPE initiates programs at the 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's peer-reviewed, bi-monthly journal, Health Affairs, is one of the United States' leading medical journals and is recognized globally as a leading edge source of discussion and debate in health policy thought and research.

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 7

Line 49, Part IV, Page 4, Form 990

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Grants and Contracts Receivable	\$4,119,776	\$2,471,811

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 8
Line 54, Part IV, Page 4, Form 990

Investments:	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Treasury Notes	\$1,444,782	\$1,113,259
Corporate Bonds	4,195,976	4,192,428
Equity	6,725,504	7,533,015
Mutual funds	2,071,581	2,986,268
Money market funds	366,628	905,079
Managed hedge funds and futures contracts	947,422	981,810
	<u>\$15,751,893</u>	<u>\$17,711,859</u>

Project HOPE-The People-to-People Health Foundation, Inc.
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 For the Year Ended June 30, 2006

SCHEDULE 9
Line 57, Part IV, Page 4, Form 990

Description:	June 30, 2005		June 30, 2006		Current Yr Depreciation
	Cost	Acc. Depr.	Cost	Acc. Depr.	
Land	\$602,888	0	\$602,888	0	
Furniture, Fixtures & Equipment Life - 5-10 Years S.L.	2,920,372	\$2,217,226	3,085,120	\$2,410,980	\$164,194
Vehicles - Field Life - 5 Years S.L.	1,191,582	1,191,582	1,687,870	1,419,058	\$227,476
Leasehold Improvements Life = 3 Years S.L.	86,506	73,225	88,754	74,575	1,350
Land Improvements Life = 20 Years S.L.	675,115	622,222	675,115	631,105	8,883
Buildings Life - 45 Years S.L.	4,440,614	1,416,116	4,505,439	1,492,455	76,339
	<u>\$9,917,077</u>	<u>\$5,520,370</u>	<u>\$10,645,186</u>	<u>\$6,028,173</u>	<u>\$478,243</u>
Net Property and Equipment	\$4,396,707		4,617,013		

Project HOPE-The People-to-People Health Foundation, Inc.
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SCHEDULE 10
Line 58, Part IV, Page 4, Form 990

Other Assets:	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Contributed Property held for Resale	\$18,000	\$18,000
Leasehold improvements in process	0	18,149
Loan Program Fund Assets *	<u>1,626,269</u>	<u>1,589,601</u>
	<u>\$1,644,269</u>	<u>\$1,625,750</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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For the Year Ended June 30, 2006

SCHEDULE 11
Line 62, Part IV, Page 4, Form 990

Support and Revenue Designated for for Future Periods:	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Deferred Revenues - Grants & Contracts	1,519,000	1,299,766
Subscriptions to Health Affairs Magazine	<u>\$888,863</u>	<u>\$972,330</u>
	<u>\$2,407,863</u>	<u>\$2,272,096</u>

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 12

Line 65, Part IV, Page 4, Form 990

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Loan Program Funds*	\$1,626,269	\$1,589,601
Annuity Obligations	<u>841,046</u>	<u>907,932</u>
	<u><u>\$2,467,315</u></u>	<u><u>\$2,497,533</u></u>

*** Loan Program Funds**

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

Project HOPE-The People-to-People Health Foundation, Inc.
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SCHEDULE 13

Line 67, Part IV, Page 4, Form 990

The Board of Directors has designated certain net assets to function as endowment to provide for the financial requirements from any unforeseen events that might threaten the continued viability of the Foundation. The Board-designated amount was \$8,282,729 and \$7,468,081 at June 30, 2006 and 2005, respectively, which is classified as part of Net Assets - Unrestricted. The net appreciation from Board-designated funds is recorded as unrestricted net assets.

Project HOPE-The People-to-People Health Foundation, Inc.
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For the Year Ended June 30, 2006

SCHEDULE 14
Part IV-A, Page 5, b(4) Form 990

Rental Expenses - Conference Center	\$280,578
Gain Loss on Currency Translation	(12,033)
Total	<u><u>\$268,545</u></u>

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Year Ended June 30, 2006

SCHEDULE 15
Part IV-B, Page 5, b(4) Form 990

Rental Expenses - Conference Center	\$280,578
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Total	<u><u>\$280,578</u></u>
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PROJECT HOPE - The People-to-People Health Foundation, Inc.
 53-0242962
 For the Fiscal Year Ended June 30, 2006
 Schedule and Response to Part V, Schedule A, Form 990
 LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
 SCHEDULE 16

<u>NAME, ADDRESS, & TITLE</u>	<u>TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>ACCOUNT AND OTHER ALLOWANCES</u>
<u>BOARD MEMBERS</u>				
Mr. Arno Bohn Bohn Consulting Kaiser-Joseph-Str 243 Freiburg, 79098 GERMANY	Note 1	None	None	None
Dr. Nancy T. Chang Chief Executive Officer Tanox, Inc 10301 Stella Link, Suite 110 Houston, TX 77025-5497	Note 1	None	None	None
Mrs. Dollie N. Cole FM 179 West Bnar Patch Ranch Briar Patch Road Mendoza, TX 78644	Note 1	None	None	None
Mrs. Sue Desmond-Hellmann M.D. President, Product Development Genentech, Inc 1 DNA Way, Mail Stop 244 South San Francisco, CA 94080	Note 1	None	None	None
Mrs. Linda Distlerath, Ph.D. Vice President, Global Health Policy Merck Sharp & Dohme (Asia) Ltd 26/F Caroline Center 28 Yun Ping Road Causeway Bay, Hong Kong	Note 1	None	None	None
Mr. John W. Galiardo, Vice Chairman 3400 S Ocean Blvd , 7-D-1 Palm Beach, FL 33480	Note 1	None	None	None
Mr. Jack M. Gill, Ph.D. President The Gill Foundation 1330 Post Oak Boulevard, Ste 1575 Houston, TX 77056	Note 1	None	None	None
Dr. Franz B. Humer Chairman and CEO F Hofman-LaRoche, Ltd CH-4070 Basel, Switzerland	Note 1	None	None	None
Mr. Robert A. Ingram Vice Chairman, Pharmaceutical Operations GlaxoSmithKline Five Moore Drive Research Triangle Park, NC 27709	Note 1	None	None	None
Mr. Joseph M. Mahady Senior-Vice-President Wyeth 500 Arcola Road Collegeville, PA 19426	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. Sr Vice President, Science & Technology United Technology Corporation United Technologies Research Ctr - MS 129-4 411 Silver Lane East Hartford, CT 06108	Note 1	None	None	None

PROJECT HOPE - The People-to-People Health Foundation, Inc
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For the Fiscal Year Ended June 30, 2006
Schedule and Response to Part V, Schedule A, Form 990
LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
SCHEDULE 16

<u>NAME, ADDRESS, & TITLE</u>	<u>TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>ACCOUNT AND OTHER ALLOWANCES</u>
Viren Mehta President Mehta Partners, LLC 584 Broadway Suite 1206 New York, NY 10012	Note 1	None	None	None
Mr. Dayton Ogden, Secretary Chairman SpencerStuart Worldwide 695 East Main Street – Bldg A-2 Stamford, CT 06901	Note 1	None	None	None
Mr. Steven B. Pfeiffer, Esq., Treasurer Chair of the Executive Committee Fulbright & Jaworski, L L P 801 Pennsylvania Ave , NW Washington, DC 20004-2615	Note 1	None	None	None
Mr. James E. Preston 9 Maple Street – P O Box 859 Kent, CT 06757	Note 1	None	None	None
Mr. Stephen H. Rusckowski Chief Executive Officer Philips Medical Systems 3000 Minuteman Road Andover, MA 01810	Note 1	None	None	None
Charles A. Sanders, M.D., Chairman Retired Chairman & CEO GlaxoSmithKline, Inc 100 Europa Drive #170 Chapel Hill, NC 27517	Note 1	None	None	None
Mr. Curt M. Selquist Company Group Chairman Johnson & Johnson Healthcare Systems 425 Hoes Lane Piscataway, NJ 08855	Note 1	None	None	None
Louis W. Sullivan, M.D. President Ementus Morehouse School of Medicine 133 Peachtree Street, NE, Suite 4040 Atlanta, Georgia 30303	Note 1	None	None	None
Mr. Henri A. Termeer Chairman, President & CEO Genzyme Corporation 500 Kendall Street Cambndge, MA 02142	Note 1	None	None	None
Ms. Karen E. Welke Retired Group Vice President, 3M Company 4755-McDonald-Drve,-North Stillwater, MN 55082	Note 1	None	None	None
Mr. Bradley A. J. Wilson Chief Executive OnMedica Group, Plc 1 Lacemaker Ct London Road Amersham Old Town Buckinghamshire, HP 1 0HS United Kingdom	Note 1	None	None	None

PROJECT HOPE - The People-to-People Health Foundation, Inc
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 For the Fiscal Year Ended June 30, 2006
 Schedule and Response to Part V, Schedule A, Form 990
 LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
SCHEDULE 16

<u>NAME, ADDRESS, & TITLE</u>	<u>TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>ACCOUNT AND OTHER ALLOWANCES</u>
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	\$570,669	\$14,222	None
James B. Peake, M.D. Executive Vice President and Chief Operating Officer Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane, Millwood VA 22646	Note 2	\$270,777	\$6,521	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	\$237,416	\$16,608	None
Deborah Carl Vice President, Human Resources and Administration Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane, Millwood VA 22646	Note 2	\$189,248	\$16,266	None
John Iglehart Vice President and Founding Editor, Health Affairs Journal Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane, Millwood VA 22646	Note 2	\$284,291	\$14,981	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	\$240,369	\$7,532	None
Anthony Buchard Vice President, Development and Communications Project HOPE-The People-to-People Health Foundation, Inc 255 Carter Hall Lane, Millwood VA 22646	Note 2	\$211,367	\$6,053	None
TOTAL		\$2,004,137	\$82,183	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 devoting approximately 72 hours a year to attend the Board of Directors meetings, these individuals spend an average of eight hours a month on other Foundation related activities.

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 Year Ended June 30, 2006

SCHEDULE 17

Line 90, Part VI, Page 7, 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
Idaho	Oregon
Illinois	Pennsylvania
Indiana	Rhode Island
Iowa	South Carolina
Kansas	South Dakota
Kentucky	Tennessee
Louisiana	Texas
Maine	Utah
Maryland	Vermont
Massachusetts	Virginia
Michigan	Washington
Missouri	West Virginia
Minnesota	Wisconsin
	Wyoming

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Year Ended June 30, 2006

SCHEDULE 18

Line 91b, Part VI, Page 7, Form 990

Financial Accounts in Foreign Countries

Dominican Republic

Honduras

Guatemala

Nicaragua

Peru

Bosnia

Czech Republic

Hungary

Poland

Egypt

Malawi

Namibia

Mozambique

Thailand

China

Indonesia

Tajikistan

Kyrgyzstan

Uzbekistan

Turkmenistan

Kazakhstan

Ukraine

Russia

Mexico

Project HOPE-The People-to-People Health Foundation, Inc.
53-0242962
For the Year Ended June 30, 2006

SCHEDULE 19

Line 91c, Part VI, Page 7, Form 990

Foreign Countries where offices are maintained

Dominican Republic
Honduras
Guatemala
Nicaragua
Peru
Bosnia
Czech Republic
Hungary
Poland
Egypt
Malawi
Namibia
Mozambique
Thailand
China
Indonesia
Tajikistan
Kyrgyzstan
Uzbekistan
Turkmenistan
Kazakhstan
Ukraine
Russia
Mexico

Project HOPE-The People-to-People Health Foundation, Inc.
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SCHEDULE 20

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 Year Ended June 30, 2006

SCHEDULE 21

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 corporations 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 22
Line 2c, Part III, Schedule A, Form 990

<u>Vendor</u>	<u>Work Description</u>	<u>Relationship to Project HOPE</u>
BB&T	Banking - corporate checking and saving accounts	Project HOPE President and CEO is a member of BB&T Board of Directors

For over 20 years Project HOPE has had a banking relationship with BB&T (formerly F&M Bank before consolidation). In 2005 Project HOPE's President and CEO was appointed to the Board of Directors of BB&T. The Project HOPE Board of Directors and legal counsel reviewed this appointment on behalf of Project HOPE and set conditions to avoid any real or perceived conflicts of interest. This appointment will have no impact on Project HOPE's relationship with BB&T.

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 23

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.