

2009 ANNUAL REPORT

A Community of

HOPE

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A Community of HOPE

# Building a Community

Providing children with lifesaving medicines and immunizations is important work; training health professionals in impoverished nations in the latest techniques to fight disease imperative; and sending volunteers around the world to provide health education and care noble. But the real work of HOPE takes place somewhere in between the vaccinations, health education classes and volunteer missions. The real work

of HOPE takes place when one person reaches out to help another and creates a personal bond that transcends geographic boundaries, economic status and nationality. It is there a community is formed, made up of donors, educators, volunteers and beneficiaries who together, have the power to positively impact the health of people around the world—A community of HOPE.

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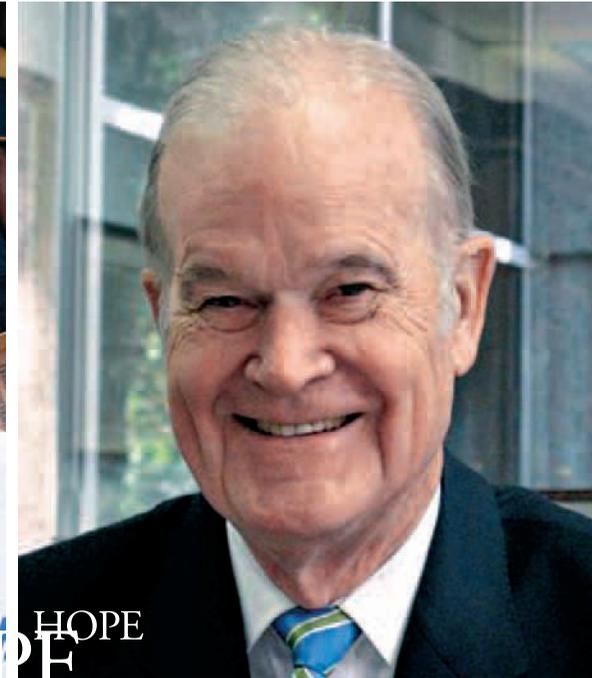
HOPE

# Messages of HOPE

# Messages of HOPE



Photo by Paul Kline



## PRESIDENT AND CHIEF EXECUTIVE OFFICER

Despite the global economic upheaval of the past year, one thing has remained constant. Project HOPE continues to be a viable, sustainable and valued organization committed to providing health education and humanitarian assistance to those in need around the world.

In the face of this upheaval, Project HOPE has much of which to be proud. This past year, we not only sent medical volunteers on four missions with the Navy but, in addition, our volunteers traveled to Vietnam in a first-ever collaboration with the Air Force—and participated, as well, in an independent, land-based mission in support of our programs in South Africa.

Even so, our agenda is an unfinished one. More must be done to deliver health care and education to build healthier communities in our 36 countries on five continents.

Please join me, our dedicated volunteers, donors, corporate partners and worldwide staff in ensuring that the hundreds of thousands of men, women and children, now impacted by our programs, continue to receive the care and education they need.

In keeping with this, I invite you to become part of the Community of HOPE.

John P. Howe, III, M.D.  
President and CEO

## CHAIRMAN

For 19 years, I have been a part of Project HOPE. During my tenure, we have been through times of economic stability and economic uncertainty. Regardless of the ups and downs of the worldwide economy, HOPE has remained a strong organization focused on providing health education and humanitarian assistance to those in need around the world.

Much of that strength comes from the interwoven community of donors, volunteers, health educators and corporations joining together to ensure Health Opportunities for People Everywhere.

The stories you will read in this annual report illustrate the power of the HOPE community. For example, you will see how a young pre-med student from Hawaii discovered her confidence and made a bold request that changed the life of a boy and his family in Colombia. You will read how the support of a large American company provided diabetes education for a nurse in India who, in turn, used that knowledge to save a young girl's life. And you will learn how a life-long HOPIE made a generous decision to leave a legacy gift that will continue to improve the health of others for years to come.

On behalf of those who HOPE serves, we thank you, our donors, volunteers, partner organizations and staff worldwide who continue to make Project HOPE the great organization that it is—each and every day.

Charles A. Sanders, M.D.  
Chairman

For Today and Tomorrow

# Health Care Education

In Project HOPE programs around the world, health educators are not only providing lifesaving knowledge that can be used today, they are training students who will teach the next generation of health care professionals and community volunteers.

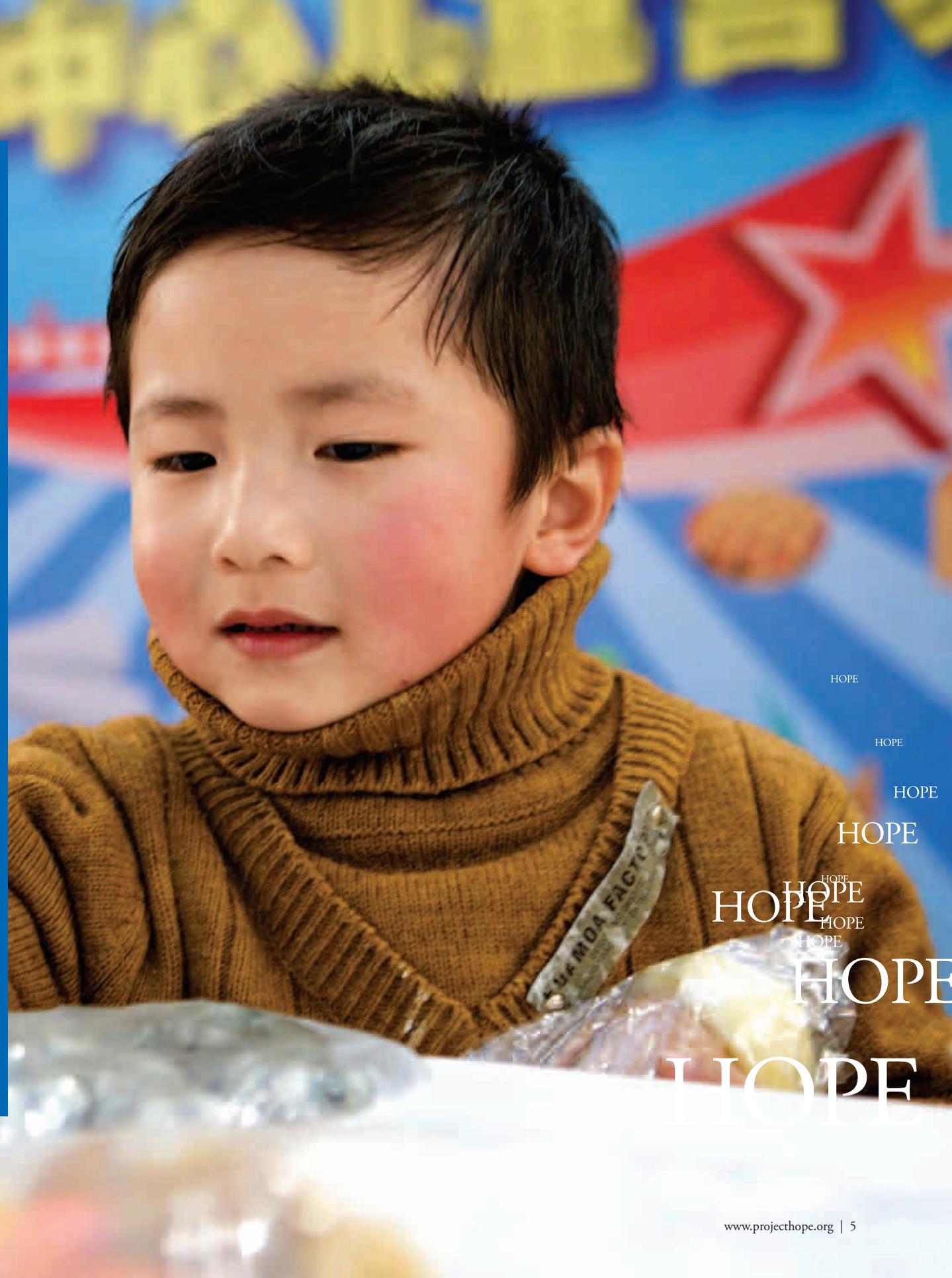
In Mexico, a nation with 10 million diabetics, HOPE educates patients about the disease and trains them to share their knowledge with family, friends and neighbors. Gilberta Pelaez and Consuelo Rodriguez both graduated from one of HOPE's 250-hour "peer educator" courses. Both women now run weekly outreach tables in front of a subway station, a government clinic and a market. Everyday, they each detect a person with undiagnosed diabetes, often with dangerous blood sugar levels. "When I tell them I have had diabetes for 20 years, they are surprised," Consuelo says. "I tell them that I have learned to live with diabetes and they can, too."

The India Diabetes Educator Project continues to train and educate a large cadre of allied health care professionals to support and empower patients to take responsibility for their own health. The program, supported by BD, Eli Lilly and Company and Bayer

Diabetes Care is operating 12 centers spread over seven cities across India. More than 770 students have enrolled in the Post-Graduate Certificate program in Diabetes Education.

And in China, health education programs in diabetes, physical rehabilitation, chronic disease and nutrition are providing critical knowledge to health professionals and expanding care for patients. This year, five new rural fellows from outlying provinces traveled to Shanghai Children's Medical Center to learn about nutrition at The Abbott Fund Institute of Nutrition Science, including Dr. Liu Li. Dr. Liu has worked as a pediatrician for 20 years, yet his hospital in Ningxia is not staffed with a nutrition specialist or department. After completing his fellowship, Dr. Liu says, "I had a further understanding about the importance of the knowledge in pediatric nutrition."

Dr. Liu plans to use his new knowledge to standardize nutrition treatment for children in Ningxia suffering from malnutrition, obesity and allergies. More than 600 health care professionals have been trained since The Abbott Fund Institute of Nutrition Science opened in 2007.



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## Sharing Knowledge, Saving Lives

*Nurse Paulami Roy Choudhury is a graduate of Project HOPE's India Diabetes Educator Project Master Trainer Training Program. Since completing the course, she has helped train 110 diabetes educators and put her knowledge to direct use.*

“Diabetes is a wide-spread disease in India, but the allied professionals like nurses don't have sufficient knowledge about this disease as they do not have many opportunities of participating in diabetes-specific education courses.

During the India Diabetes Educator Project training, we not only remove the ignorance and lack of proper knowledge of our trainees, but also try our best to help our students become aware of all their duties and responsibilities.

A few months back, a 10-year-old girl was admitted to our hospital in a (diabetic) coma. Her family assumed that she required food and provided her with sweets. I was able to play an important role because of my experience and knowledge. I advised her family members about the ways to better manage her condition and prevent complications. They are following up on my advice and getting good results.”



## Knowledge

Educating health professionals to build healthier communities.



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Relieving Anguish

## Humanitarian Assistance

In times of natural disaster, man-made conflict or other health-related crisis, Project HOPE is ready to help with timely donations of medicines and medical supplies. Yet HOPE's humanitarian assistance program expands beyond the immediate needs of emergency health care and helps communities not only recover from life threatening emergencies, but build stronger health systems for the future.

This year, when back-to-back earthquakes battered the already tsunami-worn region of Indonesia, HOPE took action. With the assistance of Uplift International, HOPE rushed \$2.4 million of medicines and supplies to the region to help those in need.

The people of Indonesia hold a special place in the hearts of the HOPE staff. Indonesia was the first country visited by HOPE volunteers aboard the SS HOPE more than 50 years ago. In 2004, HOPE sent more than \$7 million in medical aid and over 400 medical volunteers to the island nation in response to the Boxing Day Tsunami. But HOPE's humanitarian assistance did not stop there. HOPE continued to assist the Nagan Raya region recover from one of the most catastrophic natural disasters in recent history by providing training to community health volunteers and helping the

community reestablish and strengthen the core of its health care system.

In Nagan Raya, HOPE programs have improved the health of 3,332 infants, 13,866 children, 4,122 pregnant women, and 16,146 women from 2005 to 2008. The program has proven so successful, that this year, it was expanded to the Aceh Barat district, an area still struggling to recover from the impact of the tsunami.

In other parts of the world, HOPE is offering health to the children of Iraq. This year, the Basrah Children's Hospital will open its doors, providing Iraqi children with formerly unavailable high-impact health services including early cancer diagnosis, treatment and prevention therapies. With the help of corporate donors, HOPE furnished the new hospital with more than \$20 million of the latest high-tech equipment to diagnose and treat pediatric cancers. In addition, HOPE continues to train local health professionals on the latest cancer treatment and pediatric illnesses, ensuring the best care for years to come.

Offering humanitarian assistance when needed is a given. Using that assistance to build solid health systems for the future creates stronger communities for all.

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## Keeping Health Care Accessible

*Colin Credle works for Project HOPE as a Manager of Humanitarian Assistance. He witnesses the direct impact of Project HOPE's ongoing humanitarian assistance programs, including a vaccination program last winter that helped immunize recent graduates of Tajikistan State Medical University against hepatitis B.*

“These students represent the next generation of practicing medical professionals in the country and they were very grateful to receive the vaccinations. Tajik law dictates that any medical professional give up practicing medicine if they contract hepatitis B. The vaccinations, donated by Merck, protect these valuable professionals and allow them to practice with one less risk to be concerned about. Keeping medical professionals healthy and free of hepatitis B ensures better care for the entire community, allowing medical professionals to continue their work uninterrupted, including vaccinating and educating the general public.”



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Impact

Responding to today's needs ensures healthier futures.

Better Health and Renewed HOPE

## Volunteer Program

This year alone, more than 100 Project HOPE volunteers participated in six different volunteer missions, offering health services to more than 100,000 people and health education to more than 40,000 local health care workers in Latin America, West Africa and the remote Oceania region.

But if you ask volunteers about their missions, they don't recount the numbers.

Volunteer pharmacist John Hammill vividly remembers a boy he met in Tonga, a remote island in the South Pacific. The young teen had suffered with open wounds on his hands for the past six years. "The boy had not been able to attend school because the lesions on his hands made holding a pencil too painful," John explains. "More than anything, he wanted to return to complete his education to make a better life for himself and his family. We were able to treat him with a simple fungal medication. It was fantastic to have the potential to completely turn a kid's life around."

Three-time volunteer Dr. Brian Crawford recalls the profound impact of providing

health education in West Africa this year. "I have learned that influencing or educating just one person can make a difference in [the level of] care that will be provided, and tomorrow the person they touch will be better for it," he says. "I have learned that we need to take great time and effort to establish peoples' trust, and it is only through side-by-side education that our efforts transform into action."

In other parts of the world, non-medical volunteers contribute. This year, three Pfizer Global Health Fellows left their corporate jobs for six months to lend their expert knowledge to HOPE programs in China, Hungary and Mexico.

And in rural villages around the globe, community volunteers work to secure healthier futures for their children. Lidze makes a weekly trek to deliver tuberculosis samples from her local village in Malawi to the closest laboratory three miles away.

Serving more than 100,000 people is impressive. Witnessing renewed health and hope in the life of one, immeasurable.





# Tears of HOPE

*Kendra Dilcher, a premed student from Haleiwa, Hawaii volunteered for Project HOPE in 2009, working as a medical assistant onboard the USNS Comfort.*

“When my eyes met Johnny’s, I knew I had found my niche in the medical field. Tears of pain rolled down his cheeks, piercing my heart before they struck the ground. This 7-year-old child suffered from severe arthritis. At this point, a happy-face sticker was all I had to offer.

I wanted to learn more about him, to understand his condition, and to make a difference in his life. After obtaining permission from the physical therapy team onshore, I requested that a wheelchair be sent via helicopter from the ship to our clinic, to give to Johnny. When the wheelchair arrived, I gently placed Johnny into the seat. Tears began rolling down his cheeks once again, but this time they were tears of hope. Hope for a new beginning, a new life.

For the remainder of the mission, I continued to work in the pediatrics clinic, giving hope to hundreds of children every day. I soon realized that changing the life of a child changes the life of a family, which changes the life of a community, and helps to change the world.”



Photo by Paul Kline

## Compassion

Combining medical expertise with caring hearts changes lives.



Supporting a Shared Vision

## Donor Impact

Project HOPE's lifesaving programs would not be possible without the support of our dedicated individual donors and corporate partners.

From the very beginning, Merck & Co., Inc. has played a noteworthy role in Project HOPE's mission to improve the health of communities worldwide.

Through the Merck Medical Outreach Program, which recently celebrated its 50th anniversary, the company has provided significant gift-in-kind and financial support to Project HOPE. In fact, Merck is Project HOPE's largest donor in the foundation's 50-year history.

There are not enough pages in this Annual Report to describe all of the lifesaving accomplishments of HOPE and Merck, but below are a few examples of the health impact both partners have made by working together to serve patients over the last five decades.

A regular partner in Project HOPE's humanitarian assistance programs, Merck was an important donor to HOPE's Tsunami relief efforts and also contributed to HOPE's recovery work following Hurricane Katrina.

Merck has been a major partner with Project HOPE to stem the epidemic of diabetes in Mexico. Merck's affiliate in Mexico, MSD, has supported HOPE's diabetes education program in Mexico City that helps diagnose, treat and prevent the disease that affects more than 12 percent of the Mexican population.

In the Dominican Republic, Merck has been a major contributor in HOPE's quest to improve health care for children. In 2004, Merck donated nearly 300,000 doses of measles, mumps and rubella (MMR) vaccine—enough to immunize a majority of the country's children living in low-income communities as well as adults.

Merck has also been extremely generous with its donations of its PNEUMOVAX vaccine to HOPE programs. Recently, Merck supplied more than 100,000 PNEUMOVAX vaccines to prevent the spread of pneumonia in the Dominican Republic. And in 2010, the partnership will continue. Merck is supporting a HOPE program in Nicaragua with a PNEUMOVAX immunization program for specific at-risk populations.

Working together, Merck, Project HOPE and all of our loyal individual donors and corporate partners continue to build healthy communities for tomorrow.



## A Lifelong Commitment

*Cynthia Babbott worked as nurse on board the SS HOPE, immunizing children and conducting maternal and child health programs during Voyage IX to Jamaica in 1971. She also met her late husband Dr. Frank Babbott on that mission. Over the years, the couple continued to support the work of HOPE, both professionally and financially, even making the decision to include the organization in their estate plans.*

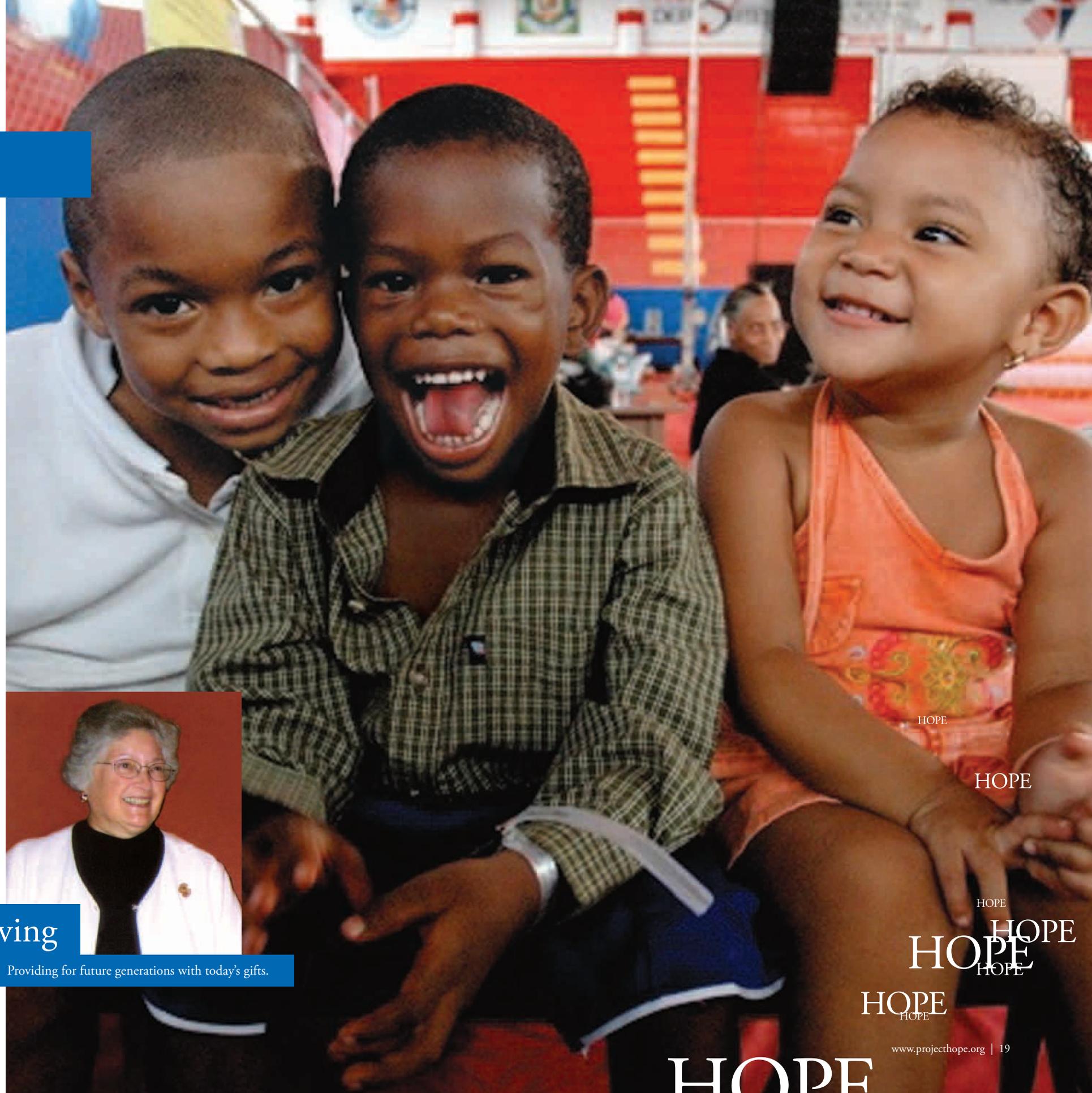
“Project HOPE had always been dear to our hearts, so Frank wanted to include it in his gifting.

I think the unique aspect to Project HOPE, the way they make such a significant impact, is through the teaching that they do. Everyone on the Project HOPE staff has a counterpart, so you're teaching and learning from each other. With that method, you can leave behind a population who is better educated and better equipped to take care of themselves. That's what appeals to me.”



Giving

Providing for future generations with today's gifts.



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Forum for Health Policy Debate

# Health Affairs

The 27-year-old *Health Affairs*, published by Project HOPE, has long established its prominence as a leader in health policy thought, analysis and debate. Especially over the past year, the renowned peer-reviewed journal with more than 16 million annual page views and thousands of subscribers, has proved even more indispensable as thought leaders in the national health care reform debate have come to rely on *Health Affairs* for well-researched, unbiased articles and timely information on the topic gripping the national spotlight.

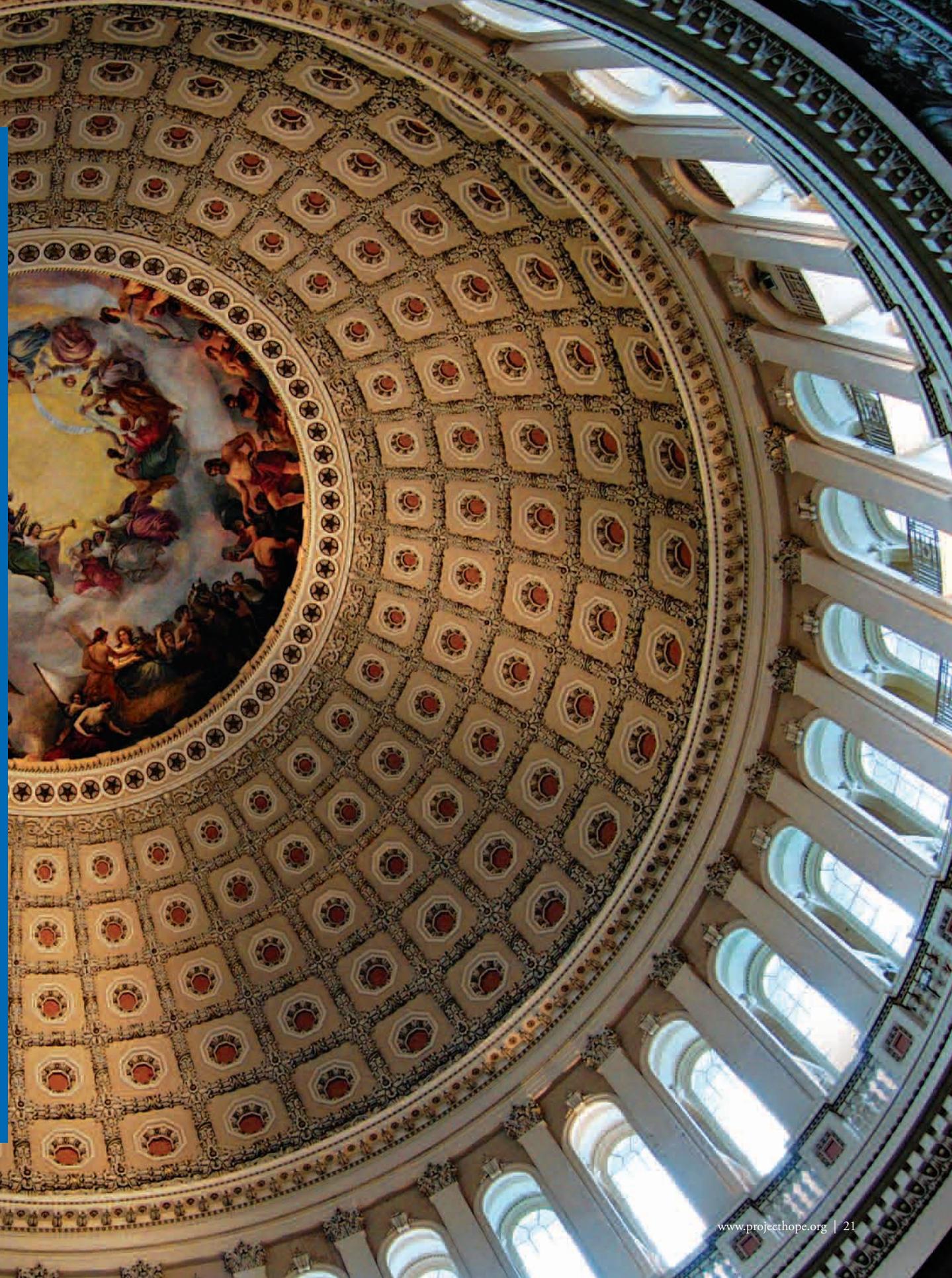
Long cited as a resource for data and new proposals for health reform, *Health Affairs* also serves a convening function to bring differing viewpoints together. In 2007, the publication hosted a Health Policy Summit that included a roundtable discussion with the presidential candidates' health policy advisors. The journal continued to play an important public information role throughout the presidential campaign with the May-June 2008 edition focused on "Health Reform Revisited." On September 16, 2008 *Health Affairs* published three articles on its Web site, one critiquing then Senator Barack Obama's health care plan, one critiquing Senator John McCain's plan

and one proposing a blended plan. *CNN* cited the studies at least 10 times in news stories. And Vice-Presidential candidate Joe Biden cited figures from the McCain critique during the vice-presidential debate.

Days before the inauguration of President Barack Obama, on January 16, 2009, *Health Affairs* published a package of eight papers on its Web site offering advice to the President-elect about health reform, health care and accountability.

The media continued to rely on *Health Affairs* for insight and information as the debate gained strength in the U.S. Senate and Congress. The journal was cited 15 times in the *New York Times*, eight times in the *Washington Post*, 13 times in the *Wall Street Journal* and four times in *USA Today* during the first half of 2009.

"Our premise as the nation's leading journal of health policy reform is that a serious health reform effort warrants a serious national discussion," explains Susan Dentzer, *Health Affairs* Editor-in-Chief. "*Health Affairs*, which is non-partisan and peer-reviewed, was founded in 1981, and has been in the business of covering health reform since that time."



## A Trusted Resource

*Leaders in government, health-related businesses, and medicine trust the well-researched unbiased articles in Health Affairs for timely information on health policy issues, including the national debate on health care reform.*

*“Health Affairs has the remarkable ability to provide meaningful articles on the most pressing current health care policy issues and the ability to publish articles that anticipate future health care policy topics. The authors are credible, the articles well written, and the focus is highly relevant. Health Affairs is a major health care policy asset for America.”*

- George Halvorson, President & CEO  
Kaiser Permanente, Inc.

*“One of the great assets of Health Affairs is the way it has reached across the partisan lines, the ideological lines, to produce work that stands on the evidence and speaks to everyone, regardless of how they approach the subject.”*

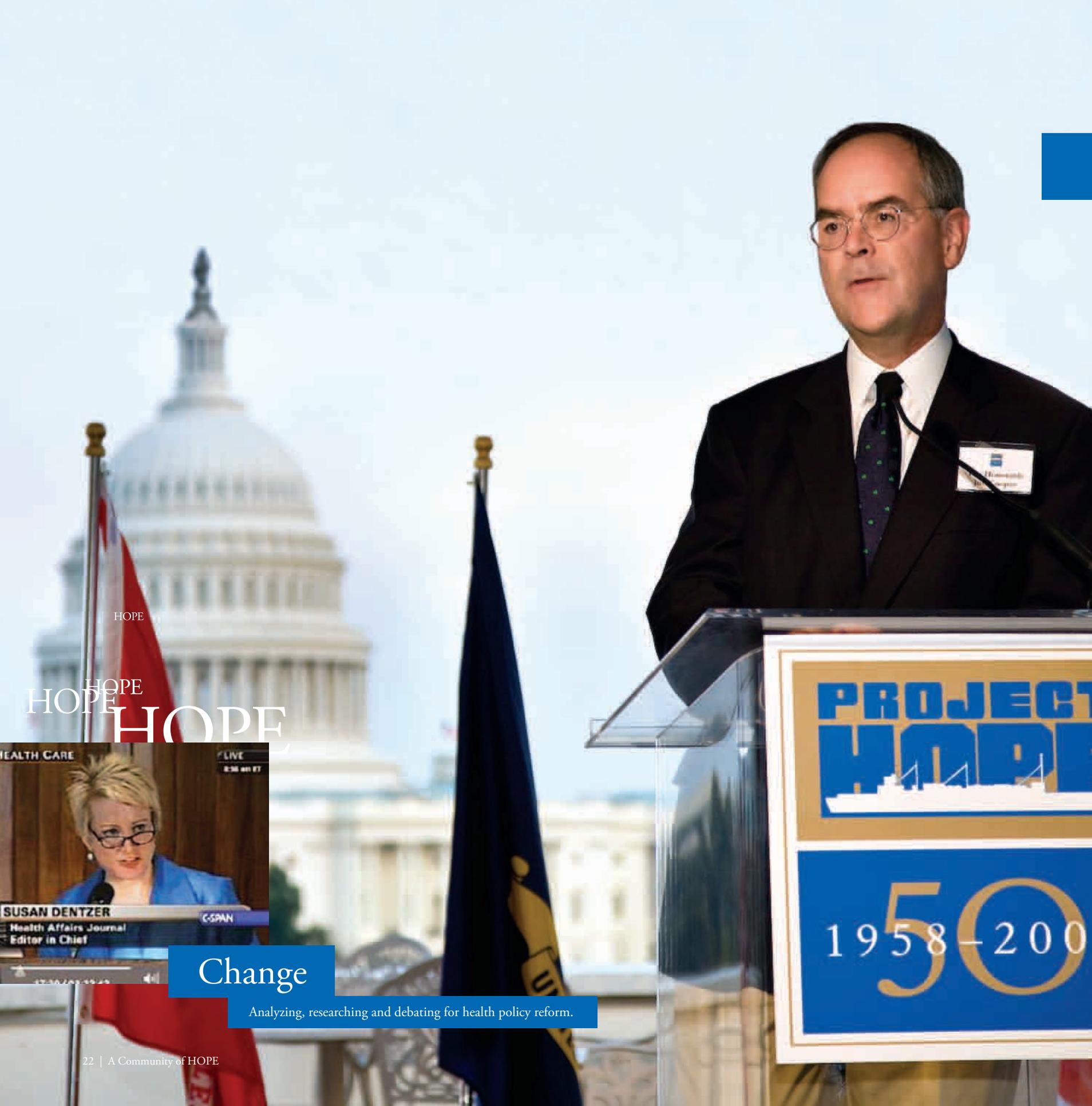
- Harvey V. Fineberg, M.D., Ph.D.  
President, Institute of Medicine, National Academies

*“Health Affairs is the one indispensable health journal...Health Affairs is really the first draft of legislation. You cannot possibly write a good bill without having read Health Affairs.”*

- Rep. Jim Cooper (D-TN)

*“Because everything is so partisan in modern-day politics, it’s nice to be able to have something [that] both sides can coalesce around. That’s why Health Affairs journal is so important. It is bipartisan and based upon the best science, the best knowledge, and that is going to help us change health care.”*

- The Hon. Tommy Thompson, JD  
Former Secretary, U.S. Department of Health and Human Services



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Change

Analyzing, researching and debating for health policy reform.

## 2009 A Year In Review



## 2009 A Year In Review

## Volunteer Efforts

Year after year, our dedicated volunteers willingly sacrifice time away from work and family to offer their medical expertise, and more importantly compassion to those in need around the world. Project HOPE's continuing volunteer missions in partnership with the U.S. Navy have now sent volunteers on 14 missions since 2005, surpassing the 11 missions of the SS HOPE. In addition to four missions with the Navy in 2009, Project HOPE also sent volunteers to Vietnam in an inaugural collaboration with the U.S. Air Force. A group of volunteers also participated in an independent land-based mission to strengthen HOPE's new program in South Africa.

### Highlights include:

- **Sending more than 100 medical volunteers** on four different missions in partnership with the U.S. Navy to Latin America, West Africa and the Oceania region.
- **Caring for more than 100,000 children, women and men** in partnership with the U.S. Navy.
- **Providing health education for more than 40,000 local health professionals** in partnership with the U.S. Navy.
- **Serving as the primary pharmacy experts** on the Oceania mission with the U.S. Navy, four students and faculty from the Shenandoah University's Bernard J. Dunn School of Pharmacy filled nearly 11,000 prescriptions while volunteering in Kiribati, Marshall Islands, Solomon Islands, Tonga and Western Samoa.
- **Strengthening HOPE programs in China, Mexico and Hungary** with expert volunteers from the Pfizer Global Health Fellow program. Since 2003, HOPE programs have benefitted from 14 global health experts, who leave their jobs for six months at a time to help improve health in the developing world.

## Humanitarian Assistance

Project HOPE's Humanitarian Assistance program continued its successful twofold approach, providing emergency assistance to communities in need and strengthening Project HOPE's educational programs and facilities with medicines and medical products.

### Highlights include:

- **Responding to earthquakes near Padang, Indonesia**, HOPE sent \$2.4 million of antibiotics and hospital supplies to aid in the recovery.
- **Shipping three donations of antibiotics and basic consumable supplies in response to flooding in the Dominican Republic**, including a shipment valued at \$226,000 sent in direct response to the flood, and another valued at \$4.86 million sent to the Ministry of Health for distribution to clinics.
- **Continuing to aid the people of Tajikistan with \$35 million of antibiotics**, and a wide variety of additional pharmaceuticals and medical supplies.
- **Working with partners to leverage limited resources** to assist the vulnerable populations of Armenia and Georgia with \$2.5 million of medicines and medical supplies.
- **Providing \$5.9 million in critically needed medicines** and medical materials to Macedonia, Bosnia and Herzegovina.
- **Receiving the Medallions of the Order of Duarte, Sanchez and Mella**, the highest honor bestowed by the President of the Dominican Republic, along with three corporate partners in recognition of humanitarian relief efforts to the national emergency caused by tropical storms Noel and Olga in 2007.
- **Recognizing John P. Howe, III, M.D.**, President and CEO of Project HOPE as the first recipient of *Serviam Magazine's* Person of the Year Award. The magazine reports on non-profit and for-profit entities that partner to address humanitarian relief, search and rescue, military and security solutions and international development.

## 2009 A Year In Review

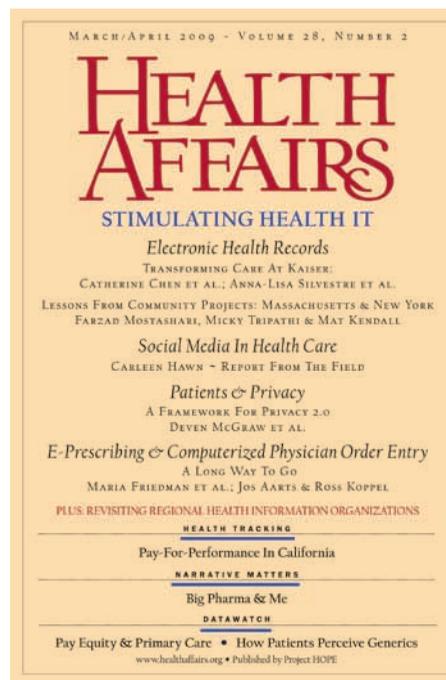


Photo by Paul Kline

## Health Affairs

From health policy champions in small communities around the county, to decision makers in the U.S. Congress, the nation's leading health policy journal has proven indispensable in the health care reform debate over the past year.

### Highlights include:

- **Publishing over 100 Web exclusives**, counting two large Web clusters on Health Reform including “Inaugural Perspectives on Health Reform,” on January 16, 2009, from key political and policy leaders, such as former members of Congress and past administrations.
- **Launching Health Policy Briefs in April 2009** to provide overviews of timely and important health policy topics for policymakers, journalists and others concerned about improving health care.
- **Publishing a March/April edition “Stimulating Health IT,”** just days after President Obama's February 25th announcement to a joint session of Congress that \$634 billion would be set aside as a reserve fund for financing health system reforms.
- **Honoring Susan Dentzer**, Editor-in-Chief of *Health Affairs*, on her election to membership of the Institute of Medicine.
- **Playing a major role in the national health care reform debate**, *Health Affairs* was cited 44 times in *Congressional Testimony*, six times in Congressional Press/News Releases, five times in the *Federal Register*, two times in statements from a member of Congress at a hearing, one time in Legislation and one time in State testimony.

## Health Education

Health education transforms lives, building healthier and stronger communities around the world. HOPE's train-the-trainer method, in which local health professionals and community volunteers are taught how to teach others what they have learned, ensures better care and healthier people for years to come.

### Highlights include:

- **Developing a model for training rehabilitation therapists** and establishing Ministry of Health-approved training materials in China following the devastating 2008 earthquake.
- **Expanding services to orphans and vulnerable children in South Africa** through eight village-saving groups reaching 183 caregivers. The program incorporates health, agriculture and parenting skills training.
- **Reducing preventable deaths and disabilities of newborns and their mothers** in Romania and improving the care of high-risk newborns by training doctors and nurses in neonatal intensive care.
- **Working with the National Tuberculosis Programme in Malawi** to reduce morbidity and mortality due to TB and TB/HIV co-infection, the TB treatment success rate has increased in Mulanje and Phalmbobe from 76% in 2005 to 83% in 2007, close to the international WHO target of 85%. In addition, registered TB patients tested for HIV in the two districts increased from 49% in 2006 to 85% in 2009.
- **Achieving the International Diabetes Federation** formal recognition for the India Diabetes Educator Project Post-Graduate Certificate in Diabetes Education.
- **Announcing a new domestic health care program**, in partnership with UnitedHealth Group, focusing on chronic diseases in underserved communities, beginning in New Mexico.
- **Honoring Dr. Marcia Petrini**, the dean of Wuhan University HOPE School of Nursing, for receiving the Friendship Award, China's highest honor awarded to foreign experts.

## Financial Summary

Project HOPE channels all its resources—financial, gifts-in-kind, volunteer services—to deliver high-impact programs that improve the health of individuals and communities around the world. At the same time, we take stewardship seriously. For more than 15 years, Project HOPE has expended 90 cents or more of every dollar directly to our lifesaving programs and services.

### FINANCIAL SUMMARY

For the years ended June 30, 2009, 2008 and 2007

REVENUE AND SUPPORT	2009 (in thousands)	2008 (in thousands)	2007 (in thousands)
Individual giving	\$ 11,218	14,585	14,991
Foundations and corporations	18,790	17,287	12,334
Corporate gifts-in-kind	102,781	119,750	139,757
Governments	8,160	16,667	11,245
Subscription revenue	1,818	1,719	1,699
Other revenue	2,905	4,012	2,576
<b>Total revenue and support</b>	<b>145,672</b>	<b>174,020</b>	<b>182,602</b>

### EXPENSES AND CHANGES IN NET ASSETS

#### Program Services

Health education and assistance programs	141,450	154,078	156,193
Health policy programs	6,423	5,354	5,354
<b>Total program services</b>	<b>147,873</b>	<b>159,432</b>	<b>161,547</b>

#### Support Services

Fundraising	7,119	7,691	7,949
Management and general	4,613	4,688	4,963
<b>Total support services</b>	<b>11,732</b>	<b>12,379</b>	<b>12,912</b>
<b>Total expenses</b>	<b>159,605</b>	<b>171,811</b>	<b>174,459</b>

<b>Changes in unrestricted net assets from operations</b>	<b>(4,434)</b>	<b>202</b>	<b>(1,321)</b>
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<b>Changes in restricted net assets from operations</b>	<b>*(9,499)</b>	<b>2,007</b>	<b>9,464</b>
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#### Non-operating changes in net assets

Net gain (loss) on investments	(3,698)	(770)	1,624
Pension liability adjustment	** (7,521)	1,887	(2,217)
<b>Change in net assets</b>	<b>(25,152)</b>	<b>3,326</b>	<b>7,550</b>

Net assets, beginning of fiscal year	54,917	51,591	44,041
<b>Net assets, end of fiscal year</b>	<b>\$ 29,765</b>	<b>54,917</b>	<b>51,591</b>

\*The change in restricted net assets for 2009 reflects the in-kind donations received during 2008 which were not distributed until 2009.

\*\*The pension liability loss is due to decline in interest rates and market value.

The financial statements have been audited by McGladrey & Pullen LLP, independent public accountants. Highlights of the audited financial statements are presented on this page. To receive a copy of the full report, please contact Project HOPE's Donor Relations at (800) 544-HOPE (4673).

## Management's Report

This has been a challenging year financially for Project HOPE. In fiscal year 2009, revenues totaled just over \$145 million in cash contributions, donated medicines and medical supplies and volunteer support. As an organization 93 percent funded by private donors, the worldwide economic crisis certainly impacted HOPE's bottom line.

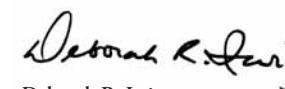
While we acknowledge the difficulties of the past year, HOPE continues to manage its resources effectively and efficiently, improving the lives of people in more than 36 countries and directing more than 92 percent of total expenses to our health education, humanitarian assistance and health policy efforts.

We also recognize that the current economic challenges are temporary. HOPE is proactively making smart investments in its digital strategy, employee development and global health expertise to enhance sustainability.

HOPE's management prepared and is responsible for the integrity of the financial statements, as well as all other financial information presented in this report.

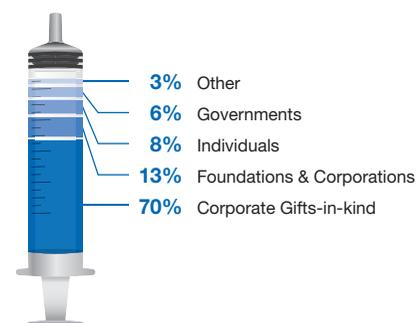
We understand that financial stewardship is important to our donors and it continues to be one of our highest priorities.

Thank you for your continued support. Your trust is one of our greatest assets.



Deborah R. Iwig  
Vice President and Chief Financial Officer

### FY 2009 Revenues



### FY 2009 Expenses



## Audit Committee Chair

The Audit Committee assists the Project HOPE Board of Directors to fulfill its fiduciary responsibilities. The Committee is composed of eight independent members who meet three times a year as part of regularly scheduled board meetings.

The Committee has the responsibility to initiate an external audit of Project HOPE's financial records. In addition, the Committee holds discussions with Project HOPE's management, internal auditor and independent auditors to review matters pertaining to risk assessment, internal control processes and financial

reporting as well as the nature, extent and results of their work.

The Committee meets independently, without the presence of management, with the external auditing firm, McGladrey & Pullen LLP, to discuss the audit of Project HOPE's financial statements and also meets independently, without the presence of management, with Project HOPE's internal auditor.

The results of each committee meeting are reported to the Board of Directors.



George B. Abercrombie  
Chairman

# Supporting Project HOPE

# Supporting Project HOPE



## FOUNDATION AND CORPORATE SUPPORT

Our donors share a common desire to improve the lives of people around the world through better health. And with Project HOPE, they are confident they are making a sound investment because we are recognized as one of the world's best-managed and most efficient nonprofit organizations. Private sector support is fundamental in enabling us to maintain the high quality of services and expertise required to improve the quality of peoples' lives around the world.

Corporations provide support in a number ways. In addition to contributions of cash for general operating expenses and for specific programs, companies donate pharmaceuticals, medical supplies, equipment, information systems, building materials, and even volunteer help which support HOPE's international health education programs and humanitarian relief efforts. Project HOPE also receives cash support from private and family foundations that share its mission of helping people help themselves.

For more information about how you can support Project HOPE's work around the world, visit us at [www.projecthope.org](http://www.projecthope.org) or call 800 544-HOPE (4673) or, if you prefer, write in care of:

**Attention:**

Anthony T. Burchard  
 Vice President, Development  
 and Communications  
 Project HOPE  
 255 Carter Hall Lane  
 Millwood, Virginia 22646-0250



## FOUNDATION AND CORPORATE SUPPORT

- |   |   |   |   |
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| Alcon Laboratories, Inc.                  | Genentech, Inc.                               | Pfizer, Inc.                                    | United Contractors, Inc.                    |
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| Austin Community Foundation               | Goldman Sachs & Company                       | Rodgers Family Foundation                       | Vanguard Charitable Endowment Program       |
| Avon Foundation for Women                 | HCD Foundation                                | Rolf W. & Elizabeth Rosenthal Family Foundation | Virginia McIntosh Korevich Charitable Trust |
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| B. Braun Medical Inc.                     | Hess Corporation                              | S.R.A. International, Inc.                      | Wachovia Securities, LLC                    |
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|   | Ovation Pharmaceuticals                       | Triangle Community Foundation                   |   |
|   | Pasadena Community Foundation                 |   |   |
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Project HOPE established the Legacy of HOPE Society to honor individuals who have remembered Project HOPE in their estate plans through bequests, life income gifts, insurance policies and other gift planning vehicles. This special community of supporters shares a strong common bond of generosity and leadership. Through their gifts, they demonstrate their commitment to provide people around the globe with HOPE for the future. For more information about planned giving options, visit [www.projecthope.org](http://www.projecthope.org) or contact Barbara Kabakoff, Major Gifts Officer, at 1-800-544-HOPE (4673) or via email at [bkabakoff@projecthope.org](mailto:bkabakoff@projecthope.org).

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## 2009 Project HOPE Programs

Our work includes educating health professionals and community health workers, strengthening health facilities, fighting diseases such as TB, HIV/AIDS and diabetes, providing humanitarian assistance through donated medicines and supplies and volunteer medical help and health policy. In 2009, our lifesaving programs, humanitarian efforts and volunteer outreach impacted people in need in 49 countries.

### 2009 ONGOING AND HUMANITARIAN ASSISTANCE PROGRAMS

<b>Africa</b> Malawi Mozambique Namibia South Africa	<b>Asia and the Pacific</b> China India Indonesia Thailand Vietnam	<b>Middle East</b> Egypt Gaza Iraq Jordan Lebanon Oman
<b>Latin America and the Caribbean</b> Dominican Republic El Salvador Guatemala Honduras Mexico Nicaragua Peru	<b>Central and Eastern Europe</b> Bosnia Czech Republic Hungary Lithuania Macedonia Poland Romania	<b>Russia/Eurasia</b> Armenia Georgia Kazakhstan Kyrgyzstan Russia Tajikistan Turkmenistan Ukraine Uzbekistan

### 2009 U.S. NAVY MISSIONS

Antigua Colombia Dominican Republic El Salvador	Ghana Haiti Kiribati Liberia Marshall Islands	Nicaragua Panama Tonga Solomon Islands Western Samoa
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○ Ongoing Programs 2009  
+ U.S. Navy Missions 2009





## Become a Part of the Community of HOPE

The pages of this annual report tell the story of A Community of HOPE. A community made up of young medical students eager for lifesaving knowledge as well as seasoned medical professionals passionate about training the next generation of doctors and nurses. A community consisting of medical volunteers working far from the comforts of home and also community volunteers working alongside their neighbors in their own villages to provide better care and health education. And a community comprised of large corporate partners sponsoring health education programs that impact hundreds and individual donors whose contributions provide one lifesaving immunization to one child. Each gift of time, resources and knowledge added to the next provides more than any donor, teacher or volunteer could do on their own.

Become a part of A Community of HOPE. Use the enclosed envelope to make a donation today or visit our Web site and invite others to become a part of A Community of HOPE at [www.projecthope.org](http://www.projecthope.org).

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2009 ANNUAL REPORT

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