

Return of Organization Exempt From Income Tax

2006

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

A For the 2006 calendar year, or tax year beginning 2006, and ending

Form 990 header section containing organization name (PARTNERS IN HEALTH, A NONPROFIT CORPORATION), address (641 HUNTINGTON AVENUE, BOSTON, MA 02115), and identification numbers.

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

Main table with 21 rows detailing revenue (Total revenue: 32,763,527), expenses (Total expenses: 31,058,383), and net assets (Net assets at end of year: 28,192,333).

Revenue SCANNED JAN 12 2008

RECEIVED NOV 9 2007 OGDEN UT

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)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22a Grants paid from donor advised funds, 22b Other grants and allocations, 23 Specific assistance to individuals, 24 Benefits paid to or for members, 25a Compensation of current officers, 25b Compensation of former officers, 25c Compensation and other distributions, 26 Salaries and wages of employees not included on lines 25a, b, and c, 27 Pension plan contributions not included on lines 25a, b, and c, 28 Employee benefits not included on lines 25a - 27, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation, depletion, etc (attach schedule), 43 Other expenses not covered above (itemize), 44 Total functional expenses.

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 [X] 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 IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

| | | (A) Beginning of year | (B) End of year |
|--|--|--------------------------|------------------------|
| Assets | 45 Cash - non-interest-bearing | 1,389,223. | 45 19,476. |
| | 46 Savings and temporary cash investments | 6,181,694. | 46 7,977,261. |
| | 47a Accounts receivable | 47a 2,774,306. | |
| | b Less: allowance for doubtful accounts | 47b | 47c 2,774,306. |
| | 48a Pledges receivable | 48a | 48c |
| | b Less: allowance for doubtful accounts | 48b | |
| | 49 Grants receivable | 1,550,089. | 49 1,676,771. |
| | 50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) | | 50a |
| | b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) | | 50b |
| | 51a Other notes and loans receivable (attach schedule) | 51a | |
| | b Less: allowance for doubtful accounts | 51b | 51c |
| | 52 Inventories for sale or use | | 52 |
| | 53 Prepaid expenses and deferred charges | 469,686. | 53 301,605. |
| | 54a Investments - publicly-traded securities <input checked="" type="checkbox"/> STMT 1.4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 14,570,101. | 54a 15,878,651. |
| | b Investments - other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54b |
| | 55a Investments - land, buildings, and equipment, basis | 55a | |
| | b Less: accumulated depreciation (attach schedule) | 55b | 55c |
| | 56 Investments - other (attach schedule) | | 56 |
| | 57a Land, buildings, and equipment, basis | 57a 812,271. | |
| | b Less: accumulated depreciation (attach schedule) | 57b 285,338. | 57c 442,738. |
| 58 Other assets, including program-related investments (describe <input type="checkbox"/>) | | 58 | |
| 59 Total assets (must equal line 74) Add lines 45 through 58 | 26,895,048. | 59 29,155,003. | |
| Liabilities | 60 Accounts payable and accrued expenses | 696,350. | 60 962,670. |
| | 61 Grants payable | | 61 |
| | 62 Deferred revenue | | 62 |
| | 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"/>) | | 65 |
| | 66 Total liabilities. Add lines 60 through 65 | 696,350. | 66 962,670. |
| 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 | 21,825,851. | 67 22,401,189. |
| | 68 Temporarily restricted | 4,347,847. | 68 5,766,144. |
| | 69 Permanently restricted | 25,000. | 69 25,000. |
| | 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 and column (B) must equal line 21)) | 26,198,698. | 73 28,192,333. |
| | 74 Total liabilities and net assets/fund balances. Add lines 66 and 73 | 26,895,048. | 74 29,155,003. |

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10
75b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) STMT . 20
75c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization".
75d Does the organization have a written conflict of interest policy?

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. The first row shows -0- in columns B, C, D, and E.

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80b If "Yes," enter the name of the organization STMT 21 and check whether it is [X] exempt or [] nonexempt
81a Enter direct and indirect political expenditures (See line 81 instructions.) 81a NONE
81b Did the organization file Form 1120-POL for this year?

Part VI Other Information (continued)

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?
82b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85a Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85b 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.
85c Dues, assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h 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?
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12
86a Gross receipts, included on line 12, for public use of club facilities
86b 501(c)(12) orgs. Enter: a Gross income from members or shareholders
87a Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)
87b 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
88a At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI
88b 501(c)(3) organizations Enter. Amount of tax imposed on the organization during the year under: section 4911 NONE, section 4912 NONE; section 4955 NONE
89a 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
89b Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89c Enter: Amount of tax on line 89b, above, reimbursed by the organization
89d All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?
89e All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?
89f For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?
90a List the states with which a copy of this return is filed SEE STATEMENT 22
90b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)
91a The books are in care of OPHELIA DAHL Telephone no 617 432-5256
Located at 641 HUNTINGTON AVE, 1ST FL BOSTON, MA ZIP + 4 02115

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 STATEMENT 1
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c X

If "Yes," enter the name of the foreign country SEE STATEMENT 1

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.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 98 Net rental income or (loss) from personal property, 99 Other investment income, 100 Gain or (loss) from sales of assets other than inventory, 101 Net income or (loss) from special events, 102 Gross profit or (loss) from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

Note: Line 105 plus line 1e, 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.)

Table with 2 columns: 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).

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (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. Row 1: STMT 23, %, 10,822,211, 2,506,266.

Part X Information Regarding Transfers Associated with

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay

(b) Did the organization, during the year, pay premiums, directly or

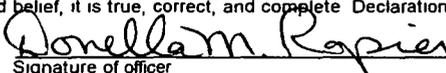
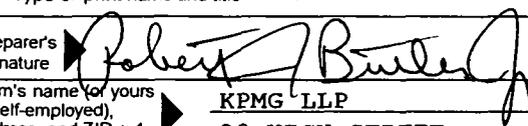
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

| | | | | Yes | No | |
|---------------|--|---------------------------------------|--------------------------------|---------------------------|------------|--|
| 106 | Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. | | | | X | |
| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer | | |
| a | SEE STATEMENT 25 | | | | | |
| b | | | | | | |
| c | | | | | | |
| Totals | | | | | 9,782,555. | |

| | | | | Yes | No | |
|---------------|--|---------------------------------------|--------------------------------|---------------------------|----|---|
| 107 | Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity | | | | | X |
| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer | | |
| a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| Totals | | | | | | |

| | | | | Yes | No | |
|------------|--|--|--|-----|----|-----|
| 108 | Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? | | | | | N/A |

| | | | | | |
|---------------------------------|---|---|------|---|--------------------------|
| Please Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. | | | | |
| |  | | Date | 11-15-2007 | |
| Paid Preparer's Use Only | Preparer's signature |  | | Date | 11-15-07 |
| | Firm's name (or yours if self-employed), address, and ZIP + 4 | KPMG LLP | | Check if self-employed | <input type="checkbox"/> |
| | | 99 HIGH STREET | | Preparer's SSN or PTIN (See Gen Inst X) | P00037953 |
| | | BOSTON, MA | | EIN | 13-5565207 |
| | | | | Phone no | 617-988-1000 |

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information - (See separate instructions.)

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

OMB No 1545-0047

2006

Name of the organization

Employer identification number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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 |
|---|--|------------------|---|--|
| SEE STATEMENT 26 | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total number of other employees paid over \$50,000 . . . ▶ **NONE**

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 |
|---|---------------------|------------------|
| SEE STATEMENT 27 | | |
| | | |
| | | |
| | | |
| | | |

Total number of others receiving over \$50,000 for professional services . . . ▶ **NONE**

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 |
|---|---------------------|------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |

Total number of other contractors receiving over \$50,000 for other services . . . ▶ **NONE**

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

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

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities > \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT. 28

2d X

e Transfer of any part of its income or assets?

2e X

3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b X

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c X

d Enter the total number of donor advised funds owned at the end of the tax year >

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year >

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts >

NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year >

NONE

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III - Functionally Integrated Type III - Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

| (a) Name(s) of supported organization(s) | (b) Employer identification number (EIN) | (c) Type of organization (described in lines 5 through 12 above or IRC section) | (d) Is the supported organization listed in the supporting organization's governing documents? | | (e) Amount of support |
|---|---|--|---|----|--------------------------|
| | | | Yes | No | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2005, (b) 2004, (c) 2003, (d) 2002, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 9 of the instructions.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

| | | 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) | | |
| 34 a | 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 10 of the instructions.) (To be completed ONLY by an eligible organization that filed Form 5768) NOT APPLICABLE

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

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

Table with 2 main columns: (a) Affiliated group totals, (b) To be completed for all electing organizations. Rows include lines 36-44 for lobbying expenditures and nontaxable amounts.

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions.)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for years 2006, 2005, 2004, 2003, and Total. Rows include lines 45-50 for nontaxable amounts and total lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

Table for reporting lobbying activity with columns Yes, No, Amount. Rows include categories a-i: Volunteers, Paid staff, Media advertisements, Mailings, Publications, Grants, Direct contact, Rallies, Total lobbying expenditures.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

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

a Transfers from the reporting organization to a noncharitable exempt organization of

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

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

b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====

FINANCIAL ACCOUNTS AND OFFICES OUTSIDE THE U.S.
FORM 990, PART VI, LINE 91B & 91C

LINE 91B: FOREIGN FINANCIAL ACCOUNTS: RWANDA RUSSIA PERU LESOTHO
LINE 91C: FOREIGN OFFICES: RWANDA RUSSIA PERU LESOTHO

4

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====

PROGRAM SERVICE ACCOMPLISHMENTS
FORM 990, PART III

HAITI/ZANMI LASANTE

ZANMI LASANTE CONTINUED TO DEEPEN AND BROADEN ITS SERVICES TO THE POOR OF HAITI IN 2006, INAUGURATING NEW FACILITIES, PROGRAMS AND PARTNERSHIPS. EVEN AS ZANMI LASANTE MOURNED THE TRAGIC DEATH OF JEAN GABRIEL FILS (TI JEAN), WHO HAD LED AND INSPIRED CONSTRUCTION OF DOZENS OF NEW HOMES AND OTHER ACTIVITIES OF THE PROGRAM ON SOCIAL AND ECONOMIC RIGHTS (POSER), ZL STAFF FOUND NEW RESOLVE TO CARRY ON HIS COMMITMENT TO SOCIAL JUSTICE.

HIGHLIGHTS OF THE YEAR

EXPANDED THE HIV EQUITY INITIATIVE: IN 2006, ZANMI LASANTE EXPANDED ITS GROUNDBREAKING HIV EQUITY INITIATIVE BEYOND THE CENTRAL PLATEAU TO TWO NEW SITES IN THE ARTIBONITE REGION OF HAITI. THE ARTIBONITE CLINICS WERE RAPIDLY SCALED UP TO OFFER PEOPLE LIVING WITH HIV THE SAME PIH MODEL OF COMPREHENSIVE CARE-INCLUDING ACCOMPANIMENT, SOCIOECONOMIC SUPPORT, AND FREE MEDICAL CARE-THAT HAS PROVEN SO SUCCESSFUL SINCE ZANMI LASANTE LAUNCHED THE HIV EQUITY INITIATIVE IN 2000 AND EXTENDED IT THROUGHOUT THE CENTRAL PLATEAU.

STRENGTHENED HUMAN RESOURCES FOR CHILD SURVIVAL: WITH THE SUPPORT OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), ZANMI LASANTE EXPANDED ITS CHILD SURVIVAL AND MATERNAL HEALTH PROGRAMS IN 2006 TO COVER ALL ZL SATELLITE SITES. ZL HIRED AND TRAINED NEW STAFF TO WORK ON PEDIATRIC PROGRAMS IN CLINICS AND EXPAND COMMUNITY OUTREACH ACTIVITIES. WITH ZL STAFF RUNNING MOBILE VACCINE CLINICS, RALLY POSTS AND DOOR-TO-DOOR DISTRIBUTION, ACCESS TO CHILDHOOD VACCINATIONS INCREASED DRAMATICALLY. IN ADDITION, APPROXIMATELY 70-80 TRADITIONAL BIRTH ATTENDANTS PER SITE RECEIVED ONGOING MONTHLY TRAINING IN SAFE DELIVERY CARE.

OPENED NEW CLINICAL FACILITIES: IN AUGUST 2006, ZANMI LASANTE AND THE HAITIAN MINISTRY OF HEALTH INAUGURATED A MEDICAL CENTER IN THE CENTRAL PLATEAU TOWN OF THOMONDE. THIS NEW FACILITY PROVIDES COMPREHENSIVE PRIMARY CARE AND HIV/AIDS SERVICES TO AN AVERAGE OF 200 PATIENTS PER DAY. DURING 2006, ZL ALSO OFFICIALLY INAUGURATED A NEW CLINIC IN CERCA LA SOURCE, A NEW PAVILION IN HINCHE AND THE SANTE FANM WOMEN'S HEALTH CENTER IN CANGE.

TREATED CHILD HUNGER WITH FOOD: ZANMI LASANTE ROLLED OUT AN EXTENSIVE CHILD NUTRITION PROGRAM IN THE CENTRAL PLATEAU IN 2006, WITH SUPPORT FROM THE JOHNSON AND JOHNSON FOUNDATION, MEDS AND FOOD FOR KIDS, AND THE WORLD FOOD PROGRAM. MORE THAN 17,000 CHILDREN RECEIVED DAILY SCHOOL LUNCHES

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
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FREE OF CHARGE THROUGH THE PROGRAM. ZL ALSO BEGAN LOCAL PRODUCTION OF NUTRITIONALLY FORTIFIED THERAPEUTIC FOOD FOR MALNOURISHED CHILDREN.

CONTINUED TI JEAN'S WORK - BUILDING HOUSES: COLLEAGUES AND FRIENDS OF JEAN GABRIEL FILS (TI JEAN), WHO HAD LED AND INSPIRED ZANMI LASANTE'S PROGRAM ON SOCIAL AND ECONOMIC RIGHTS (POSER), PROMISED THAT TI JEAN'S TRAGIC DEATH ON MAY 28 WOULD NOT DERAILED HIS LIFE WORK OF BUILDING NEW HOMES FOR DESTITUTE PEOPLE IN THE CENTRAL PLATEAU. AND THEY KEPT THEIR PROMISE. SHORTLY AFTER THE END OF 2006, POSER COMPLETED CONSTRUCTION OF THE LAST OF 70 HOUSES THAT HAD BEEN IDENTIFIED AS TOP PRIORITIES FOR THE YEAR. THROUGHOUT THE CENTRAL PLATEAU, HUNDREDS OF STURDY HOUSES ATTEST TO TI JEAN'S TIRELESS COMMITMENT TO SOCIAL AND ECONOMIC RIGHTS FOR THE POOR.

PERU/SOCIOS EN SALUD

WORKING IN PARTNERSHIP WITH THE PERUVIAN MINISTRY OF HEALTH, SOCIOS EN SALUD (SES) PLAYED A LEADING ROLE IN EXPANDING TREATMENT OF MULTIDRUG-RESISTANT TB BEYOND LIMA AND IN BUILDING AND UPGRADING HOSPITALS, LABORATORIES AND OTHER INFRASTRUCTURE NEEDED TO FIGHT THE EPIDEMIC. RECOGNIZED WORLDWIDE FOR ITS EXPERTISE IN TREATING MDR-TB, SES ALSO ADAPTED ITS MODEL OF COMMUNITY BASED CARE TO EXPAND A SUCCESSFUL, NEW HIV PROGRAM THAT COMBINES DIRECTLY OBSERVED ANTIRETROVIRAL THERAPY WITH ECONOMIC AND SOCIAL SUPPORT.

HIGHLIGHTS OF THE YEAR

IMPROVED AND EXPANDED TREATMENT FOR DRUG-RESISTANT TB: SES WORKED WITH THE PERUVIAN MINISTRY OF HEALTH AND WITH LOCAL HEALTH OFFICIALS TO EXPAND TREATMENT FOR MDR-TB PATIENTS BOTH WITHIN AND BEYOND LIMA. IN AREQUIPA, A MAJOR CITY IN THE SOUTH, THE REGIONAL HEALTH DIRECTORATE COMMITTED TO WORKING WITH SES AND BEGAN ENROLLING PATIENTS IN THE DOTS-PLUS PROGRAM. IN LIMA, ALMOST 500 OF OUR PATIENTS WERE DECLARED COMPLETELY CURED; ANOTHER 500 CONTINUED TO RECEIVE MEDICAL TREATMENT AS WELL AS NUTRITIONAL, SOCIAL, AND ECONOMIC SUPPORT.

STRENGTHENED INFORMATION SYSTEMS: IN MAY 2006, THE NATIONAL TB PROGRAM DECLARED THEY WOULD UTILIZE THE PIH ELECTRONIC MEDICAL RECORDS SYSTEM TO TRACK TREATMENT OF MDR-TB PATIENTS. THIS COLLABORATION WITH THE MINISTRY OF HEALTH WILL FURTHER THE TRANSFER OF RESPONSIBILITY FOR TB CARE TO THE PUBLIC SECTOR, AND WILL CONTINUE TO IMPROVE QUALITY OF CARE AMONG MDR-TB PATIENTS.

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
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EXPANDED HIV/AIDS CARE: BY THE END OF 2006, 79 HIV-POSITIVE PATIENTS WERE RECEIVING COMPREHENSIVE CARE THROUGH THE SES HIV PROGRAM LAUNCHED THE PREVIOUS NOVEMBER; 94 PERCENT OF PATIENTS WERE CLINICALLY STABLE AND HAD AN UNDETECTABLE VIRAL LOAD. THE HIV TEAM WORKED WITH 17 VOLUNTEER HEALTH WORKERS WHO ADMINISTERED LIFE-SAVING ANTIRETROVIRAL DRUGS TO PATIENTS AND GAVE THEM CRITICAL EMOTIONAL, ECONOMIC, AND NUTRITIONAL SUPPORT. THE TEAM ALSO WORKED IN TANDEM WITH THE MINISTRY OF HEALTH'S NATIONAL HIV PROGRAM TO IMPROVE PATIENT ENROLLMENT AND ADHERENCE TO TREATMENT.

BUILT ON OUR SUCCESS: SES WORKED TO STRENGTHEN THE PERUVIAN HEALTH CARE INFRASTRUCTURE BY SUPPORTING THE CONSTRUCTION AND MAINTENANCE OF TWO OPERATING ROOMS DEDICATED TO SURGERIES FOR MDR-TB PATIENTS, TWO IN-PATIENT HOSPITAL WINGS FOR TB AND MDR-TB PATIENTS, A NATIONAL REFERENCE LABORATORY FOR DIAGNOSIS OF MDR-TB, AND AN AMBULATORY CARE WING FOR A REGIONAL HOSPITAL.

PROVIDED EDUCATION AND TRAINING: SES CONTINUED TO TRAIN FELLOW PERUVIAN HEALTHCARE PROFESSIONALS IN THE MANAGEMENT OF MDR-TB AND COLLABORATED WITH OUR COLLEAGUES IN HAITI TO PROVIDE A TWO-DAY TRAINING PROGRAM TO THE HAITIAN MINISTRY OF HEALTH. SES DOCTORS AND NURSES (ALONG WITH ONE INTREPID TRANSLATOR) TRAVELED TO THE ZANMI LASANTE TRAINING CENTER IN DECEMBER 2006, AND SHARED THEIR 10 YEARS OF EXPERIENCE WITH THEIR HAITIAN COUNTERPARTS. WE ALSO ADAPTED THE CURRICULUM DEVELOPED BY OUR BOSTON-BASED PACT COLLEAGUES FOR OUR HIV COMMUNITY HEALTH WORKERS, AND CONDUCTED OUR FIRST TRAININGS IN COMMUNITY-BASED HIV/AIDS CARE.

RWANDA/INSHUTI MU BUZIMA

DURING OUR SECOND YEAR IN RWANDA, PIH AND OUR RWANDAN PARTNER ORGANIZATION INSHUTI MU BUZIMA (IMB) CONTINUED TO RENOVATE AND EXPAND OUR CLINICAL FACILITIES, SCALED UP OUR COMPREHENSIVE HIV CARE PROGRAM DRAMATICALLY, MORE THAN DOUBLING THE NUMBER OF PATIENTS ON ANTIRETROVIRAL THERAPY, AND EXPANDED OUR SUPPORT FOR NUTRITION, HOUSING AND OTHER SOCIAL AND ECONOMIC NEEDS.

HIGHLIGHTS OF THE YEAR

BUILT A PEDIATRIC WARD AND INPATIENT MALNUTRITION CENTER TO SUPPORT CHILDREN'S HEALTH: THE 30-BED PEDIATRIC CARE CENTER AT RWINKWAVU HOSPITAL, BUILT WITH SUPPORT FROM THE CLINTON FOUNDATION AND UNICEF, SERVES AS A REFERRAL FACILITY FOR COMPLICATED PEDIATRIC CASES FROM ALL SIX PIH RWANDA SITES.

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
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INAUGURATED AN OPERATING SUITE: IN OCTOBER 2006, RWINKWAVU HOSPITAL OFFICIALLY OPENED ITS FULLY RENOVATED OPERATING ROOM. DOCTORS AT RWINKWAVU HOSPITAL IMMEDIATELY BEGAN PERFORMING EMERGENCY CESAREAN SECTIONS. PRIOR TO RENOVATIONS, EMERGENCY OBSTETRICAL CASES HAD TO BE TRANSFERRED TO THE CLOSEST HOSPITAL-MORE THAN AN HOUR AWAY.

IMPROVED STAFFING AND FACILITIES AT FIVE OTHER SITES WHERE IMB WORKS IN SOUTHEASTERN RWANDA, INCLUDING FOUR HEALTH CENTERS IN KIREHE HEALTH DISTRICT SERVING A POPULATION OF MORE THAN 350,000 PEOPLE. AT THE KIREHE HEALTH CENTER AND CLINICAL AND LABORATORY FACILITIES WERE EXPANDED, PENDING CONSTRUCTION OF A NEW DISTRICT HOSPITAL.

EXPANDED NUTRITIONAL SUPPORT FOR PATIENTS WITH HIV AND TB: IN 2006, PIH RWANDA DISTRIBUTED MORE THAN 1,500 FOOD PACKAGES PER MONTH TO HIV AND TB PATIENTS AND THEIR FAMILIES, AND SIGNED AN AGREEMENT WITH THE WORLD FOOD PROGRAM FOR ANOTHER 1,000 PER MONTH.

SUPPORTED SOCIAL AND ECONOMIC RIGHTS: DURING THE COURSE OF 2006, IMB BUILT MORE THAN 35 HOUSES, PAID SECONDARY SCHOOL FEES FOR ALMOST 400 STUDENTS WHO WOULD OTHERWISE HAVE BEEN UNABLE TO GO TO SCHOOL, AND ESTABLISHED A CARPENTRY AND WELDING WORKSHOP THAT PROVIDES BOTH JOBS FOR LOCAL RESIDENTS AND FURNISHINGS FOR IMB CLINICAL FACILITIES. IN ADDITION, IMB DISPERSED 40 MICROCREDIT LOANS TO INCOME-GENERATING PROJECTS FOR ASSOCIATIONS OF HIV PATIENTS IN RWINKWAVU AND KIREHE.

PROVIDED COMPREHENSIVE CARE FOR CHILDREN AFFECTED BY HIV/AIDS: IMB ENROLLED MORE THAN 150 CHILDREN LIVING WITH AIDS ON LIFESAVING ART AND INSTITUTED COMPREHENSIVE PREVENTION OF MOTHER-TO-CHILD TRANSMISSION (PMTCT) PROGRAMS AT ALL SIX CLINICAL SITES IN 2006. CHILDREN LIVING WITH AIDS AND THEIR FAMILIES MEET FOR MONTHLY PEDIATRIC COUNSELING GROUPS, WHERE PIH RWANDA STAFF PROVIDE EDUCATION AND PSYCHOSOCIAL SUPPORT.

EXPANDED ACCESS TO HIV TREATMENT: BY THE END OF 2006, MORE THAN 2,000 PATIENTS HAD BEEN ENROLLED ON ANTIRETROVIRAL THERAPY (ART). PATIENTS ARE VISITED DAILY BY MORE THAN 800 COMMUNITY HEALTH WORKERS, TRAINED BY INSHUTI MU BUZIMA TO DISTRIBUTE MEDICATIONS AND PROVIDE SOCIAL SUPPORT.

LESOTHO/BO-MPHATO LITSEBELETSONG TSA BOPHELO

AFTER STARTING TO WORK IN LESOTHO IN JUNE, PIH MOVED RAPIDLY TO IMPLEMENT

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
=====

KEY COMPONENTS OF OUR MODEL OF COMPREHENSIVE COMMUNITY-BASED CARE. WE TRAINED DOZENS OF COMMUNITY HEALTH WORKERS, SCALED UP TESTING AND TREATMENT FOR HIV, PROVIDED FOOD TO PATIENTS AND FAMILIES SUFFERING FROM HUNGER AND MALNUTRITION AND WORKED TO REINFORCE THE PUBLIC HEALTH SECTOR.

HIGHLIGHTS OF THE YEAR

TRAINED VILLAGE HEALTH WORKERS: IN JUNE 2006, STAFF FROM PIH LESOTHO LED THE FIRST VILLAGE HEALTH WORKER TRAINING AT THE NOHANA HEALTH CENTER, OUR FIRST CLINICAL SITE IN LESOTHO. MORE THAN 75 VILLAGE HEALTH WORKERS PARTICIPATED IN THE TRAINING, WHICH FOCUSED ON HIV/AIDS CARE, PREVENTION AND TREATMENT.

DELIVERED FOOD TO THE HUNGRY IN NOHANA: ON NOVEMBER 16, 2006, A FIRST SHIPMENT OF FOOD WAS DELIVERED TO NOHANA HEALTH CENTER UNDER AN AGREEMENT BETWEEN PIH AND THE WORLD FOOD PROGRAM THAT WILL PROVIDE NUTRITIONAL SUPPORT TO HIV PATIENTS AND THEIR FAMILIES.

IMPROVED TREATMENT FOR TUBERCULOSIS AND SOUGHT OUT CASES OF DRUG-RESISTANT TB: TESTING IN NOHANA CONFIRMED HIGH RATES OF TUBERCULOSIS AND OF HIV-TB COINFECTION. PIH IDENTIFIED ALMOST 100 ACTIVE CASES OF TB, AMONG WHOM MORE THAN 90 PERCENT ARE COINFECTED WITH HIV. OUTBREAKS OF MULTIDRUG-RESISTANT AND EXTENSIVELY DRUG-RESISTANT TUBERCULOSIS (MDR-TB AND XDR-TB) IN NEIGHBORING SOUTH AFRICA RAISED CONCERN ABOUT DRUG-RESISTANT TUBERCULOSIS IN LESOTHO. IN RESPONSE, PIH LESOTHO PARTNERED WITH THE NATIONAL TUBERCULOSIS PROGRAM OF LESOTHO TO CONDUCT A RAPID SURVEY OF TWO LESOTHO DISTRICTS BORDERING THE AFFECTED REGION OF KWAZULU-NATAL PROVINCE, SOUTH AFRICA, DURING OCTOBER AND NOVEMBER OF 2006. THE SURVEY PROVIDED A SNAPSHOT OF THE EXTENT OF MDR-TB AND XDR-TB IN LESOTHO AND SPURRED PLANS TO LAUNCH A PROGRAM TO COMBAT DRUG-RESISTANT TB IN 2007.

PROVIDED ACCESS TO LIFESAVING TREATMENT FOR HIV/AIDS: IN JULY 2006, PIH LESOTHO STARTED ITS FIRST 16 AIDS PATIENTS ON ANTIRETROVIRAL THERAPY (ART) AT THE NOHANA HEALTH CENTER. AS NEWS OF THE REMARKABLE RECOVERY OF THESE PATIENTS SPREAD THROUGHOUT THE AREA, THE NUMBER OF PEOPLE SEEKING HIV TESTING OR TREATMENT AT THE NOHANA HEALTH CENTER INCREASED DRAMATICALLY. WITHIN JUST SIX MONTHS, MORE THAN 170 PATIENTS WERE RECEIVING ART AT THE NOHANA HEALTH CENTER AND OVER 450 WERE ENROLLED IN PRE-ART CARE.

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
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RUSSIA

PIH RUSSIA REACHED MAJOR MILESTONES IN 2006, BOTH IN A TRAINING PROGRAM AIMED AT IMPROVING CARE FOR MULTIDRUG-RESISTANT TUBERCULOSIS (MDR-TB) THROUGHOUT THE RUSSIAN FEDERATION AND IN STRENGTHENING DELIVERY OF TREATMENT TO PATIENTS IN TOMSK OBLAST, SIBERIA.

HIGHLIGHTS OF THE YEAR

TRAINED DOCTORS TO TREAT MDR-TB: WORKING IN COLLABORATION WITH THE RUSSIAN MINISTRY OF HEALTH AND THE WORLD HEALTH ORGANIZATION, PIH RUSSIA LED THREE COMPREHENSIVE TRAINING SESSIONS ON MANAGEMENT OF MULTIDRUG-RESISTANT TB. TWO SESSIONS HELD NEAR MOSCOW AND ONE IN NOVOSIBIRSK, SIBERIA, PROVIDED TRAINING TO 213 PHYSICIANS REPRESENTING 80 PERCENT OF THE TERRITORY OF THE RUSSIAN FEDERATION.

EMPLOYED COMMUNITY HEALTH WORKERS TO REACH THE NEEDIEST PATIENTS: IN NOVEMBER 2006, PIH RUSSIA AND TOMSK OBLAST TB SERVICES LAUNCHED THE "SPUTNIK PROGRAM," THE FIRST USE IN RUSSIA OF WHAT HAS LONG BEEN A KEY COMPONENT OF PIH'S MODEL OF CARE IN OTHER COUNTRIES - RECRUITING, TRAINING AND PAYING COMMUNITY HEALTH WORKERS TO PROVIDE DIRECTLY OBSERVED THERAPY AND COMPREHENSIVE SOCIAL, NUTRITIONAL AND MEDICAL SUPPORT TO IMPROVE TREATMENT ADHERENCE AND SUPPORT FOR THE POOREST AND MOST NEGLECTED MDR-TB PATIENTS IN THE REGION.

EXPANDED ACCESS AND IMPROVED THE QUALITY OF TB CARE: THE GLOBAL FUND APPROVED PHASE TWO (YEARS 3-5) OF A GRANT TO PIH RUSSIA FOR THE TREATMENT OF MDR-TB IN TOMSK OBLAST. PIH IS THE PRIMARY RECIPIENT OF THIS GRANT, PROVIDING CLINICAL, FINANCIAL AND PROGRAMMATIC MONITORING FOR ALL TB PATIENTS IN THE OBLAST. PIH ALSO RECEIVED APPROVAL FROM THE WORLD HEALTH ORGANIZATION'S GREEN LIGHT COMMITTEE TO ENROLL 350 ADDITIONAL MDR-TB PATIENTS IN TREATMENT, THE FINAL COHORT OF THE GLOBAL FUND GRANT COVERING A TOTAL OF 950 RUSSIAN MDR-TB.

USA/PACT

DURING 2006, THE PACT PROJECT SCALED UP ENROLLMENT IN HIV CARE, SIGNIFICANTLY EXPANDED ITS OUTREACH IN THE BOSTON AREA AND ESTABLISHED COLLABORATIVE RELATIONSHIPS THAT COULD LEAD TO REPLICATION OF THE PACT MODEL IN SEVERAL OTHER COMMUNITIES AROUND THE UNITED STATES.

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
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HIGHLIGHTS OF THE YEAR

SCALED UP HEALTH PROMOTION: DURING 2006, ENROLLMENT INTO PACT HEALTH PROMOTION AND DIRECTLY OBSERVED THERAPY FOR HIV PATIENTS INCREASED BY 115 PERCENT. PACT STAFF BEGAN AN EXTENSIVE OUTREACH CAMPAIGN DESIGNED TO REACH PATIENTS WHO HAVE EXPERIENCED DIFFICULTY ADHERING TO TREATMENT AND ACCESSING CARE AND COULD BENEFIT FROM PACT SERVICES.

EXPANDED ACCESS TO CARE: PACT SERVICES EXPANDED FROM THE INNER-CITY NEIGHBORHOODS OF DORCHESTER AND ROXBURY TO SERVE THE GREATER BOSTON AREA, AS PACT DEVELOPED NEW PARTNERSHIPS WITH HEALTHCARE PROVIDERS TO REACH MORE OF THE AREA'S MOST VULNERABLE COMMUNITIES.

DESIGNED TOOLS TO HELP OVERCOME BARRIERS TO CARE: PACT STAFF DEVELOPED A CULTURALLY-COMPETENT CURRICULUM TO TRAIN COMMUNITY RESIDENTS AS HEALTH PROMOTERS . THE CURRICULUM TEACHES PROMOTERS AND PATIENTS PROBLEM-SOLVING SKILLS NEEDED TO OVERCOME COMMON BARRIERS TO TREATMENT ADHERENCE FACED BY THE COMMUNITIES SERVED BY PACT.

MEXICO & GUATEMALA

RECOVERY FROM THE DEVASTATION OF HURRICANE STAN AND FURTHER TRAINING AND SUPPORT FOR COMMUNITY HEALTH PROMOTERS WERE THE MAIN THEMES OF 2006 AT EAPSEC (EQUIPO DE APOYO EN SALUD Y EDUCACIÓN COMUNITARIA), A PIH-SUPPORTED PROJECT IN CHIAPAS, MEXICO. IN NEIGHBORING GUATEMALA, ANOTHER PIH-SUPPORTED PROJECT, THE ASSOCIATION AND TECHNICAL TEAM FOR EDUCATION IN COMMUNITY HEALTH (ETESC), CONTINUED ITS WORK IDENTIFYING VICTIMS AND PROVIDING MENTAL HEALTH SUPPORT FOR SURVIVORS OF MASSACRES BY GOVERNMENT FORCES AND PARAMILITARIES.

HIGHLIGHTS OF THE YEAR

EXPANDED THE NETWORK OF COMMUNITY HEALTH PROMOTERS: EAPSEC STAFF TRAINED 137 HEALTH PROMOTERS TO WORK IN 11 MUNICIPALITIES AND 83 COMMUNITIES ACROSS FOUR REGIONS OF CHIAPAS, SERVING AN AREA OF APPROXIMATELY 16,900 PEOPLE.

PROVIDED MEDICAL CARE TO HURRICANE VICTIMS: EAPSEC CONTINUED TO SUPPORT AND STAFF EMERGENCY CLINICS IN BELISARIO DOMINGUEZ AND HONDURAS, TWO OF THE COMMUNITIES HARDEST HIT BY HURRICANE STAN.

INITIATED SOUTH-SOUTH COLLABORATIONS: TOGETHER WITH SOCIOS EN SALUD,

FORM 990 - GENERAL EXPLANATION ATTACHMENT (CONT'D)
=====

PIH'S SISTER ORGANIZATION IN PERU, EAPSEC INITIATED A CHIAPAS-PERU COLLABORATION TO SHARE BEST PRACTICES FOR TRAINING HEALTH PROMOTERS.

ASSISTED VICTIMS OF REPRESSION: ETESC CONTINUED ITS WORK OF EXHUMING, IDENTIFYING AND REBURYING VICTIMS OF GUATEMALA'S REPRESSIVE MILITARY, INSPECTING FIVE HIDDEN MASS GRAVES, EXHUMING REMAINS FROM A SITE WHERE 36 PEOPLE HAD BEEN MASSACRED, AND HOLDING FOUR COMMEMORATION CEREMONIES.

PROVIDED DENTAL CARE: ETESC ALSO CONDUCTED DENTAL CLINICS, PROVIDING EXAMINATIONS, FILLINGS, EXTRACTIONS AND PREVENTIVE DENTAL CARE.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

| DESCRIPTION ----- | AMOUNT ----- |
|----------------------------------|-----------------|
| UNREALIZED GAIN ON INVESTMENTS | 87,592. |
| CURRENCY TRANSLATION ADJUSTMENTS | 200,899. |
| | ----- |
| TOTAL | 288,491. |
| | ===== |

FORM 990, PART II, LINE 25A - CURRENT OFFICER COMPENSATION SCHEDULE

| CURRENT OFFICER NAME | PROGRAM SERVICES | MANAGEMENT AND GENERAL | FUNDRAISING |
|---------------------------------|------------------|------------------------|-------------|
| OPHELIA DAHL | | | |
| COMPENSATION: | 12,346. | 49,385. | 20,577. |
| CONTRIBUTIONS TO BENEFIT PLANS: | 85. | 340. | 142. |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| PAUL ZINTL | | | |
| COMPENSATION: | 51,149. | 17,050. | NONE |
| CONTRIBUTIONS TO BENEFIT PLANS: | 372. | 124. | NONE |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| CRAIG KAPLAN | | | |
| COMPENSATION: | 75,702. | 25,234. | NONE |
| CONTRIBUTIONS TO BENEFIT PLANS: | 9,531. | 3,177. | NONE |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| EDWARD CARDOZA | | | |
| COMPENSATION: | NONE | NONE | 85,169. |
| CONTRIBUTIONS TO BENEFIT PLANS: | NONE | NONE | 6,896. |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| THEODORE CONSTAN | | | |
| COMPENSATION: | 55,266. | 9,753. | NONE |
| CONTRIBUTIONS TO BENEFIT PLANS: | 10,036. | 1,771. | NONE |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| ROBIN A DUMAS | | | |
| COMPENSATION: | NONE | 17,023. | NONE |
| CONTRIBUTIONS TO BENEFIT PLANS: | NONE | 2,828. | NONE |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| KRISTIN NELSON | | | |
| COMPENSATION: | 8,887. | 35,549. | 14,812. |
| CONTRIBUTIONS TO BENEFIT PLANS: | 65. | 258. | 108. |
| EXPENSE ACCOUNT: | NONE | NONE | NONE |
| TOTALS | 223,439. | 162,492. | 127,704. |

FORM 990, PART II - OTHER EXPENSES

| DESCRIPTION | TOTAL | PROGRAM SERVICES | MANAGEMENT AND GENERAL | FUNDRAISING |
|------------------------------|-------------|---------------------|---------------------------|-------------|
| RENT EXPENSE | 2,095. | | 2,095. | |
| OFFICE SUPPLIES & EXPENSES | 223,981. | 160,528. | 40,720. | 22,733. |
| BANK, INVST & PROCESSING FEE | 114,911. | | 37,916. | 76,995. |
| COMMUNICATIONS & UTILITIES | 423,230. | 338,520. | 84,061. | 649. |
| TEMPORARY LABOR | 23,119. | | 23,119. | |
| OTHER | 21,758. | 5,259. | | 16,499. |
| PROGRAM RESOURCES | 19,999,527. | 19,999,527. | | |
| PHARMACEUTICALS | 1,445,236. | 1,445,236. | | |
| OUTSIDE SERVICES | 1,991,680. | 1,940,693. | | 50,987. |
| INSURANCE | 15,516. | | 15,516. | |
| TOTALS | 24,261,053. | 23,889,763. | 203,427. | 167,863. |

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

TO PROVIDE DIRECT HEALTH SERVICES AND TO CONDUCT RESEARCH AND
ADVOCACY WORK FOR THE SICK AND IMPOVERISHED THROUGHOUT THE WORLD.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

| DESCRIPTION | BEGINNING BOOK VALUE | ENDING BOOK VALUE | COST OR FMV |
|---------------------------|-------------------------|----------------------|----------------|
| CASH AND CASH EQUIVALENTS | 2,701,786. | 13,807,835. | FMV |
| MUTUAL FUNDS | 1,888,422. | 1,997,015. | FMV |
| U.S. TREASURY BILLS | 9,933,700. | NONE | FMV |
| EQUITY SECURITIES | 46,193. | 73,801. | FMV |
| TOTALS | 14,570,101. | 15,878,651. | |

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION

AMOUNT

CURRENCY TRANSLATION ADJ

200,899.

TOTAL

200,899.
=====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

| NAME AND ADDRESS | TITLE AND TIME DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS | EXPENSE ACCT AND OTHER ALLOWANCES |
|---|---------------------------------------|--------------|---|---|
| OPHELIA DAHL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | EXEC DIR/PRES/CHAIR 40.00 | 82,309. | 566. | NONE |
| DR. PAUL FARMER 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR/EXEC VP 30.00 | NONE | NONE | NONE |
| PAUL ZINTL 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | COO/VP FOR PLANNING 40.00 | 68,198. | 496. | NONE |
| CRAIG KAPLAN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | CFO/TREASURER 40.00 | 100,936. | 12,708. | NONE |
| EDWARD CARDOZA 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | VP DEVELOPMENT 40.00 | 85,169. | 6,896. | NONE |
| THEODORE CONSTAN | VP PROGRAM MGMT 40.00 | 65,019. | 11,807. | NONE |

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

| NAME AND ADDRESS ----- | TITLE AND TIME DEVOTED TO POSITION ----- | COMPENSATION ----- | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS ----- | EXPENSE ACCT AND OTHER ALLOWANCES ----- |
|--|--|-----------------------|--|--|
| 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | | | | |
| TODD MCCORMACK 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| DR JIM YOUNG KIM 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| HOWARD HAITT 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| DIANE KANEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| JOSEPH MARTIN 641 HUNTINGTON AVENUE 1ST FLOOR | DIRECTOR 1.00 | NONE | NONE | NONE |

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

| NAME AND ADDRESS ----- | TITLE AND TIME DEVOTED TO POSITION ----- | COMPENSATION ----- | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS ----- | EXPENSE ACCT AND OTHER ALLOWANCES ----- |
|---|--|-----------------------|--|--|
| BOSTON, MA 02115 | | | | |
| JOHN MCARTHUR 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| AMARTYA SEN 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| BRYAN STEVENSON 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| ROBIN A DUMAS 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | COUNSEL/CLERK 20.00 | 17,023. | 2,828. | NONE |
| JACK CONNORS 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

| NAME AND ADDRESS ----- | TITLE AND TIME DEVOTED TO POSITION ----- | COMPENSATION ----- | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS ----- | EXPENSE ACCT AND OTHER ALLOWANCES ----- |
|--|--|-----------------------|--|--|
| GARY GOTTLIEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| ALBERT KANEB 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| TED PHILIP 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DIRECTOR 1.00 | NONE | NONE | NONE |
| KRISTIN NELSON 641 HUNTINGTON AVENUE 1ST FLOOR BOSTON, MA 02115 | DEPUTY DIRECTOR/ CLERK 30.00 | 59,249. | 431. | NONE |
| | GRAND TOTALS | 477,903. | 35,732. | NONE |

FORM 990, PART V-A RELATIONSHIP SCHEDULE

RELATIONSHIP SCHEDULE

NAME OF OFFICER, DIRECTOR, ETC: DR. PAUL FARMER
NAME OF RELATED ENTITY: DIDI BERTAND
TITLE OR ROLE: PROVIDES SERVICES IN RWANDA
RELATIONSHIP: PAUL FARMER'S SPOUSE

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS
=====

RELATED ORGANIZATION NAME: RIVER STREET DEVELOPMENT FOUNDATION

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: SOCIOS EN SALUD SUCURSAL PERU

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: PARTNERS IN HEALTH-RUSSIA

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: INSHUTI MU BUZIMA (RWANDA)

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: PARTNERS IN HEALTH- LESOTHO

EXEMPT: X NONEXEMPT:

:

:

FORM 990, PART VI, LINE 90A - STATES

=====

AZ, CA, CT, DC, FL, GA,
IL, ME, MD, MA, MI, MN, NJ, NM,
NY, NC, OH, OR, PA, SC, TN, UT, VA, WA, WI,

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

| NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER ----- | PERCENTAGE OWNERSHIP INTEREST ----- | NATURE OF BUSINESS ACTIVITIES ----- | TOTAL INCOME ----- | ENDING ASSETS ----- |
|--|--|---|--------------------------|---------------------------|
| SOCIOS EN SALUD SUCURSAL PERU AV. MERINO REYNA 575 LIMA PERU N/A | 100.000000 | HEALTH CARE | 3,273,940. | 1,722,181. |
| PARTNERS IN HEALTH - RUSSIA 11/13 TREKHPRUDNIY PEREULOK 103001 MOSCOW RUSSIA N/A | 100.000000 | HEALTH CARE | 3,116,141. | 444,205. |
| INSHUTI MU BUZIMA RINKWAVU RINKWAVU RWANDA N/A | 100.000000 | HEALTH CARE | 4,228,589. | 243,832. |
| PARTNERS IN HEALTH - LESOTHO 438 POPE JOHN PAUL II STREET MESERU LESOTHO N/A | 100.000000 | HEALTH CARE | 203,541. | 96,048. |

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

| NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER | PERCENTAGE OWNERSHIP INTEREST | NATURE OF BUSINESS ACTIVITIES | TOTAL INCOME | ENDING ASSETS |
|--|-------------------------------------|----------------------------------|-----------------|------------------|
| TOTAL INCOME | | | 10,822,211. | 2,506,266. |

FORM 990, PART XI - TRANSFERS TO CONTROLLED ENTITIES STATEMENT
=====

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, PERU
CONTROLLED ENTITY'S ADDRESS: AV.MERINO REYNA 575
CITY, STATE & ZIP: PORRAS B. CARABAYLLO, LIMA
FOREIGN COUNTRY: PERU
EIN: FOREIGN
TRANSFER AMOUNT: 2,615,090.
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
SUPPORT OF HEALTHCARE SERVICES IN PERU

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, RUSSIA
CONTROLLED ENTITY'S ADDRESS: TREKHPRUDNIY PEREULOK
CITY, STATE & ZIP: MOSCOW
FOREIGN COUNTRY: RUSSIA
EIN: FOREIGN
TRANSFER AMOUNT: 3,111,900.
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
SUPPORT OF HEALTHCARE SERVICES IN RUSSIA

CONTROLLED ENTITY'S NAME: INSHUTI MU BUZIMA
CONTROLLED ENTITY'S ADDRESS:
CITY, STATE & ZIP: RINKWAVU
EIN: FOREIGN
TRANSFER AMOUNT: 3,898,658.
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
SUPPORT OF HEALTHCARE SERVICES IN RWANDA

CONTROLLED ENTITY'S NAME: PARTNERS IN HEALTH, LESOTHO
CONTROLLED ENTITY'S ADDRESS: NEW EUROPA, 438 POPE JOHN PAUL II ST
CITY, STATE & ZIP: MESERU
FOREIGN COUNTRY: LESOTHO
EIN: FOREIGN
TRANSFER AMOUNT: 156,907.
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:
SUPPORT OF HEALTHCARE SERVICES IN LESOTHO

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES
=====

| NAME AND ADDRESS ----- | TITLE AND TIME DEVOTED TO POSITION ----- | COMPENSATION ----- | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS ----- | EXPENSE ACCOUNT ----- |
|---|--|----------------------------|--|-----------------------------|
| SUSAN SAYERS 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115 | DIR. FOUNDATION DVLP 40.00 | 68,827. | 8,262. | NONE |
| DARIUS JAZAYERI 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115 | PROJECT MGR. 40.00 | 70,295. | 4,543. | NONE |
| HENRY EPINO 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115 | CLINICIAN 40.00 | 81,337. | 5,369. | NONE |
| SARA STULAC 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115 | CLINICIAN 40.00 | 80,567. | 5,070. | NONE |
| WENDY KRAUSS 641 HUNTINGTON AVE., 1ST FLOOR BOSTON, MA 02115 | DIR. OF MAJOR GIFTS 40.00 | 65,773. | NONE | NONE |
| | TOTAL COMPENSATION | ----- 366,799. ===== | ----- 23,244. ===== | ----- NONE ===== |

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

=====

| | | |
|------------------|-----------|----------|
| KPMG | AUDIT/TAX | 123,709. |
| 99 HIGH STREET | | |
| BOSTON, MA 02110 | | |

| | | |
|-------------------------------------|--------------------|----------|
| DR JAIME BAYONA C/O SOCIOS EN SALUD | MEDICAL DIR - PERU | 114,380. |
| AV. MERINO REYNA 575 | | |
| LIMA | | |
| PERU | | |

| | | |
|--------------------|-------|----------|
| TOTAL COMPENSATION | ----- | 238,089. |
| | | ===== |

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D
=====

SEE FORM 990, PART V.

EIN: 04-3567502
 FYE: 12/31/2006

FORM 990, PART IV, LINE 57 - FIXED ASSETS and DEPRECIATION

| <u>Description</u> | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> |
|------------------------------------|------------------------|-------------------------------------|---------------------------|
| Land | | NONE | |
| Land Improvements | | | |
| Buildings | 409,330. | 23,093. | 386,237. |
| Leasehold Improvements | | | NONE |
| Equipment | 402,941. | 262,243. | 140,696. |
| Furniture & Fixtures | | | |
| Property, Plant & Equipment | <u>812,271.</u> | <u>285,336.</u> | <u>526,933.</u> |
| Construction in Progress | | NONE | |
| Total Fixed Assets, line 57 | <u><u>812,271.</u></u> | <u><u>285,336.</u></u> | <u><u>526,933.</u></u> |

NOTE: Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

EIN: 04-3567502
FYE: 12/31/2006

FORM 990, PART II, LINE 42 - DEPRECIATION

| <u>Description</u> | <u>Current Depreciation</u> |
|--|---------------------------------|
| Land Improvements | |
| Buildings | 4,027. |
| Leasehold Improvements | |
| Equipment | 23,650. |
| Furniture & Fixtures | |
| Total Depreciation Expense | <u>27,677.</u> |
| Amortization Expense | |
| Total Depreciation & Amortization line 42 | <u><u>27,677.</u></u> |

NOTE: Depreciation is calculated using the straight-line method over the estimated useful life of the asset

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

► File a separate application for each return

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

| | | |
|---|---|---|
| Type or print File by the due date for filing your return See instructions | Name of Exempt Organization PARTNERS IN HEALTH, A NONPROFIT CORPORATION | Employer identification number 04-3567502 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 641 HUNTINGTON AVENUE, 1ST FLOOR | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. BOSTON, MA 02115 | |
| | | |

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

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

• The books are in the care of ► OPHELIA DAHL

Telephone No. ► 617 432 5256 FAX No. ► 617 432 5300

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

1 I request an automatic 3-month (6 months for a section 501(c) corporation required to file Form 990-T) extension of time until AUGUST 15, 2007, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 2006 or
- tax year beginning _____, _____, and ending _____.

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

| | | | |
|---|-----------|----|---|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0 |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 0 |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | 0 |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box. X

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

| | | |
|--|--|--------------------------------|
| Type or print File by the extended due date for filing the return. See instructions. | Name of Exempt Organization | Employer Identification number |
| | PARTNERS IN HEALTH, A NONPROFIT CORPORATION | 04-3567502 |
| | Number, street, and room or suite no. If a P.O. box, see instructions | For IRS use only |
| | 641 HUNTINGTON AVENUE, 1ST FLOOR | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | BOSTON, MA 02115 | |

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

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of OPHELIA DAHL
 Telephone No. 617 432 5256 FAX No. 617 432 5300

• If the organization does not have an office or place of business in the United States, check this box.

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until NOVEMBER 15, 2007.
- For calendar year 2006, or other tax year beginning _____, 20____ and ending _____, 20____.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

| | | |
|--|--------------|---|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 8a \$ | 0 |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b \$ | 0 |
| c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 8c \$ | 0 |

Signature and Verification

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

KPMG LLP I.D. #13-5565207

Signature

Title 99 HIGH STREET, BOSTON, MA 02110-2371

Notice to Applicant. (To Be Completed by the IRS)

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

By: _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

| | |
|----------------------|---|
| Type or print | Name |
| | KPMG LLP (CONNELLY/ANDERSON/1694858) |
| | Number and street (Include suite, room, or apt. no.) or a P.O. box number |
| | 99 HIGH STREET, 23RD FLOOR |
| | City or town, province or state, and country (including postal or ZIP code) |
| | BOSTON, MA 02110 |