



# **2006 Income Tax Returns**

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

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

Department of the Treasury Internal Revenue Service

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

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

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: PARTNERS IN HEALTH, A NONPROFIT CORPORATION. D Employer identification number: 04-3567502. E Telephone number: (617) 432-5256. F Accounting method: Cash, Accrual, Other (specify).

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.PIH.ORG

J Organization type (check only one) X 501(c) (03) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? Yes No. H(b) If "Yes," enter number of affiliates N/A. H(c) Are all affiliates included? Yes No. H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No. I Group Exemption Number N/A. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 32,763,527.

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

Table with 3 main sections: Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Includes sub-rows for contributions, program revenue, membership dues, interest, dividends, rents, sales of assets, special events, and inventory.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

# Application for Extension of Time To File an Exempt Organization Return

▶ 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
  - 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](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	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.	
	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

<b>3a</b> 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.	<b>3a</b>	\$	0
<b>b</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.	<b>3b</b>	\$	0
<b>c Balance Due.</b> 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.	<b>3c</b>	\$	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 <b>PARTNERS IN HEALTH, A NONPROFIT CORPORATION</b>	Employer identification number <b>04-3567502</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>641 HUNTINGTON AVENUE, 1ST FLOOR</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>BOSTON, MA 02115</b>	

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**, 20**07**.
- 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.**

<b>8a</b> 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.	<b>8a</b> \$	0
<b>b</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.	<b>8b</b> \$	0
<b>c Balance Due.</b> 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.	<b>8c</b> \$	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.

Signature **▶** \_\_\_\_\_ Title **▶** **KPMG LLP I.D. #13-5565207**  
**99 HIGH STREET, BOSTON, MA 02110-2871** **▶**

**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 \_\_\_\_\_

Director \_\_\_\_\_ 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 <b>KPMG LLP (CONNELLY/ANDERSON/1694858)</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <b>99 HIGH STREET, 23RD FLOOR</b>
	City or town, province or state, and country (including postal or ZIP code) <b>BOSTON, MA 02110</b>

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	513,635.	223,439.	162,492.	STMT 11 127,704.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	3,370,435.	2,916,241.	204,233.	249,961.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c				
<b>28</b> Employee benefits not included on lines 25a - 27	250,807.	212,190.	12,309.	26,308.
<b>29</b> Payroll taxes	293,695.	238,079.	27,528.	28,088.
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees	113,509.		113,509.	
<b>32</b> Legal fees	8,150.	5,113.	3,037.	
<b>33</b> Supplies	784,337.	784,337.		
<b>34</b> Telephone				
<b>35</b> Postage and shipping	42,350.	24,999.	7,244.	10,107.
<b>36</b> Occupancy				
<b>37</b> Equipment rental and maintenance				
<b>38</b> Printing and publications	51,263.			51,263.
<b>39</b> Travel	926,895.	865,053.	18,499.	43,343.
<b>40</b> Conferences, conventions, and meetings	414,577.	414,577.		
<b>41</b> Interest				
<b>42</b> Depreciation, depletion, etc. (attach schedule)	27,677.		27,677.	
<b>43</b> Other expenses not covered above (itemize):				
a STMT 12	43a 24,261,053.	23,889,763.	203,427.	167,863.
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44 31,058,383.	29,573,791.	779,955.	704,637.

**Joint Costs.** Check  if you are following SOP 98-2.  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_ ; (ii) the amount allocated to Program services \$ \_\_\_\_\_ ;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_ ; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

<p>What is the organization's primary exempt purpose? <b>▶SEE STATEMENT 13</b></p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p><b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</p>
<p><b>a</b> <u>SEE STATEMENTS 2 - 9</u></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>29,573,791.</p>
<p><b>b</b></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>c</b></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>d</b></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>e</b> Other program services (attach schedule)</p> <p>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p><b>f</b> <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . . ▶</p>	<p>29,573,791.</p>

**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
<b>Assets</b>	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 . . . . .	2,774,306.		
	b Less: allowance for doubtful accounts . . . . .		47c	2,774,306.
	48a Pledges receivable . . . . .			
	b Less: allowance for doubtful accounts . . . . .		48c	
	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) . . . . .			
	b Less: allowance for doubtful accounts . . . . .		51c	
	52 Inventories for sale or use . . . . .		52	
	53 Prepaid expenses and deferred charges . . . . .	469,686.	53	301,605.
	54a Investments - publicly-traded securities . STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV . . . . .	14,570,101.	54a	15,878,651.
	b Investments - other securities (attach schedule) . . . . .		54b	
	55a Investments - land, buildings, and equipment: basis . . . . .			
	b Less: accumulated depreciation (attach schedule) . . . . .		55c	
	56 Investments - other (attach schedule) . . . . .		56	
	57a Land, buildings, and equipment: basis . . . . .	812,271.		
	b Less: accumulated depreciation (attach schedule) . . . . .	285,338.	57c	526,933.
58 Other assets, including program-related investments (describe <input type="checkbox"/> ) . . . . .		58		
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .	26,895,048.	59	29,155,003.	
<b>Liabilities</b>	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 <b>Total liabilities.</b> Add lines 60 through 65 . . . . .	696,350.	66	962,670.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>			
	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.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>			
	70 Capital stock, trust principal, or current funds . . . . .		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .		71	
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .		72	
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .	26,198,698.	73	28,192,333.	
74 <b>Total liabilities and net assets/fund balances.</b> 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. Row 1 shows -0- in all columns.

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 and check whether it is exempt or nonexempt
81a Enter direct and indirect political expenditures. (See line 81 instructions.)
81b Did the organization file Form 1120-POL for this year?

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b	320,913.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85 a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
85 b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	N/A	
85 c	c Dues, assessments, and similar amounts from members	N/A	
85 d	d Section 162(e) lobbying and political expenditures	N/A	
85 e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86 a	86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	N/A	
86 b	b Gross receipts, included on line 12, for public use of club facilities	N/A	
87 a	87 501(c)(12) orgs. Enter: a Gross income from members or shareholders	N/A	
87 b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88 a	88 b At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	X	
88 b	b 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		X
89 a	89 a 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		
89 b	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89 c	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	N/A	
89 d	d Enter: Amount of tax on line 89c, above, reimbursed by the organization	N/A	
89 e	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 g	g 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?		X
90 a	90 a List the states with which a copy of this return is filed SEE STATEMENT 22		
90 b	b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	47	
91 a	91 a 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		
91 b	91 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	X	
	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
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments . . . . .			14	351,106.	
96 Dividends and interest from securities . . . . .			14	515,611.	
97 Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .			18	12,524.	
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue: a _____					
b MISCELLANEOUS REV			01	170,764.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				1,050,005.	
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					1,050,005.

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.)**

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.)**

(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
STMT 23	%		10,822,211.	2,506,266.
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .  Yes  No

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

**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
<b>106</b> 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					
<b>Totals</b>			9,782,555.		

				Yes	No
<b>107</b> 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					
<b>Totals</b>					

		Yes	No
<b>108</b> 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	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer  Date  
 Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature <input type="text"/>	Date <input type="text"/>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) P00037953
Firm's name (or yours if self-employed), address, and ZIP + 4 KPMG LLP 99 HIGH STREET BOSTON, MA	EIN 13-5565207	Phone no. 617-988-1000	

02110-2371

Form 990 (2006)

**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

**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

Employer identification number

**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.)

Table with columns for question number, description, Yes, and No. Includes questions 1 through 4g regarding lobbying, grants, and donor advised funds.

**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.)
- 11 a  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.)
- 11 b  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 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	
<b>Total</b> .....					

- 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: a Enter 2% of amount in column (e), line 24; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add: Amounts from column (e) for lines: 18, 19, 22; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)); 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: NOT APPLICABLE; b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year; c Add: Amounts from column (e) for lines: 15, 16, 17, 20, 21; d Add: Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test: Enter amount from line 23, column (e); g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)); 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See page 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 columns for line numbers (36-44), descriptions of lobbying expenditures, and sub-columns for affiliated group totals and completion for all organizations.

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, and rows for various expenditure categories (45-50).

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

Table for reporting lobbying activity with columns for Yes, No, and Amount, and rows for various activity types (a-i).



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

**2006**

Name of organization

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

Employer identification number

04-3567502

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(03) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

**General Rule -**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules -**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization **PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

Employer identification number

04-3567502

**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ROBERT M. HEINE 2 BEEKMAN PLACE, 13A NEW YORK, NY 10022	1,150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	PARTNERS HEALTHCARE SYSTEM, INC. 800 BOYLSTON STREET, PRUDENTIAL TOWER BOSTON, MA 02199-800	1,190,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	UNITED STATES TREASURY 1500 PENNSYLVANIA AVENUE, NW WASHINGTON, DC 20220	664,610.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	HERSHEY FAMILY FOUNDATION 381 GARFIELD ROAD CONCORD, MA 01742	665,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	UNIVERSITY OF WASHINGTON 3917 UNIVERSITY WAY NE, PO BOX 351130 SEATTLE, WA 98195	1,483,728.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	MAX D. STONE 4 BUTTERCUP LANE DOVER, MA 02030	2,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization **PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

Employer identification number

04-3567502

**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	CLINTON FOUNDATION HIV/AIDS INITIATIVE 225 WATER STREET QUINCY, MA 02169	3,166,421.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	GLOBAL FUND-RUSSIA 1214 VERNIER GENEVA SWITZERLAND	2,596,256.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	M-A-C AIDS FUND 130 PRINCE STREET, 4TH FLR NEW YORK, NY 10012	675,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	CENTER FOR DISEASE CONTROL 1600 CLIFTON RD ATLANTA, GA 30333	2,518,170.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	BILL & MELINDA GATES FOUNDATION PO BOX 23350 SEATTLE, WA 98102	2,078,766.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	OTHER CASH CONTRIBUTIONS EACH LESS THAN 2% OF THE TOTAL	12,076,744.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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

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 LUNCHESES

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

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)

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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)

## 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 &amp; 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)

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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  
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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 HALITT 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

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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
			10,822,211.	2,506,266.
TOTAL INCOME				

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 99 HIGH STREET BOSTON, MA 02110	AUDIT/TAX	123,709.
DR JAIME BAYONA C/O SOCIOS EN SALUD AV. MERINO REYNA 575 LIMA PERU	MEDICAL DIR - PERU	114,380.
TOTAL COMPENSATION		----- 238,089. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE FORM 990, PART V.



**Information Return of U.S. Persons With Respect To Certain Foreign Corporations**

▶ See separate instructions.

**File In Duplicate**  
(see **When and Where To File** in the instructions)

Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2006, and ending 12/31/2006

Name of person filing this return <b>PARTNERS IN HEALTH, A NONPROFIT CORPORATION</b>		<b>A Identifying number</b> <b>04-3567502</b>
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) <b>641 HUNTINGTON AVENUE</b>		<b>B Category of filer</b> (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code <b>BOSTON MA 02115</b>		<b>C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period</b> %
Filer's tax year beginning <u>01/01/2006</u> , and ending <u>12/31/2006</u>		

**D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

**Important:** Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1 a Name and address of foreign corporation <b>INSHUTI MU BUZIMA</b>				b Employer identification number, if any <b>FOREIGN</b>	
<b>RINKWAVU, RW</b>				c Country under whose laws incorporated <b>RWANDA</b>	
d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency	
	<b>RW</b>	<b>624200</b>	<b>HEALTHCARE</b>	<b>FRANC</b>	

**2 Provide the following information for the foreign corporation's accounting period stated above.**

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

**Schedule A Stock of the Foreign Corporation**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORG. - NO STOCK	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.



**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)**

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) in U.S. dollars
1	U.S.			
2	RWANDA	NONE	529.1270	NONE
3				
4				
5				
6				
7				
8	Total			NONE

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	22,000.	243,832.
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets		
8b	Less accumulated depreciation	( )	( )
9a	Depletable assets		
9b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
11a	a Goodwill		
11b	b Organization costs		
11c	c Patents, trademarks, and other intangible assets		
11d	d Less accumulated amortization for lines 11a, b, and c.	( )	( )
12	Other assets (attach schedule)		
13	<b>Total assets</b>	<b>22,000.</b>	<b>243,832.</b>
Liabilities and Shareholders' Equity			
14	Accounts payable		
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
18a	a Preferred stock		
18b	b Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	22,000.	243,832.
21	Less cost of treasury stock	( )	( )
22	<b>Total liabilities and shareholders' equity</b>	<b>22,000.</b>	<b>243,832.</b>

**Schedule G Other Information**

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
|   | Yes                      | No                                  |
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? . . . . .   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment.   |                          |                                     |
| 2 During the tax year, did the foreign corporation own an interest in any trust? . . . . .  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? . . . . . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).  |                          |                                     |

**Schedule H Current Earnings and Profits** (see instructions)

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account . . . . .	1	129,018,100.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	<b>Net Additions</b>	<b>Net Subtractions</b>
a Capital gains or losses . . . . .		
b Depreciation and amortization . . . . .		
c Depletion . . . . .		
d Investment or incentive allowance . . . . .		
e Charges to statutory reserves . . . . .		
f Inventory adjustments . . . . .		
g Taxes . . . . .		
h Other (attach schedule). . . . .		
3 Total net additions . . . . .		
4 Total net subtractions . . . . .		
5 a Current earnings and profits (line 1 plus line 3 minus line 4) . . . . .	5a	129,018,100.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) . . . . .	5b	
c Combine lines 5a and 5b . . . . .	5c	129,018,100.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) . . . . .	5d	243,832.
Enter exchange rate used for line 5d ▶		529.1270

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions) . . . . .	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions) . . . . .	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) . . . . .	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) . . . . .	4	
5 Factoring income . . . . .	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions . . . . .	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) . . . . .	7	
8 Exchange gain or (loss) on a distribution of previously taxed income . . . . .	8	

- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
|  | Yes                      | No                                  |
| • Was any income of the foreign corporation blocked? . . . . .                             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Did any such income become unblocked during the tax year (see section 964(b))? . . . . . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If the answer to either question is "Yes," attach an explanation.                          |                          |                                     |

**SCHEDULE J  
(Form 5471)**

(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

04-3567502

Name of foreign corporation

INSHUTI MU BUZIMA

	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
<b>1</b> Balance at beginning of year	12,650,000.				12,650,000.
<b>2a</b> Current year E&P	129,018,100.				
<b>b</b> Current year deficit in E&P					
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	141,668,100.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	141,668,100.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	141,668,100.				141,668,100.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

**04-3567502**

Name of foreign corporation

**INSHUTI MU BUZIMA**

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **RWANDA- FRANC 529.1000**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) . . . . .					
2 Sales of property rights (patents, trademarks, etc.) . . .					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received . . . . .					
5 Rents, royalties, and license fees received . . . . .					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . . .					
7 Interest received . . . . .					
8 Premiums received for insurance or reinsurance . . . . .					
9 Add lines 1 through 8 . . . . .					
10 Purchases of stock in trade (inventory) . . . . .					
11 Purchases of tangible property other than stock in trade . . . . .					
12 Purchases of property rights (patents, trademarks, etc.) . . . . .					
13 Compensation paid for technical, managerial, engineering, construction, or like services . . . . .	1,221,145.				
14 Commissions paid . . . . .					
15 Rents, royalties, and license fees paid . . . . .					
16 Dividends paid . . . . .					
17 Interest paid . . . . .					
18 Add lines 10 through 17. . . . .	1,221,145.				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . . . .					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . . . .					

INSHUTI MU BUZIMA

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE- HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

CURRENCY TRANSLATION ADJ	848,757.	1,604.
TOTAL	848,757.	1,604.

SCH C, LINE 16 - OTHER DEDUCTIONS

MEDICINES	48,048,435.	90,807.
MEDICAL SUPPLIES	78,891,730.	149,098.
PATIENT ASSISTANCE	94,102,548.	177,845.
FOOD	552,416,964.	1,044,016.
REPAIR AND MAINTENANCE	322,858,702.	610,172.
SPECIAL EVENTS	32,799,884.	61,989.
UTILITIES	5,004,086.	9,457.
AUTO EXPENSES	91,043,147.	172,063.
TELEPHONE	21,129,660.	39,933.
HOUSING SUPPLIES	42,567,796.	80,449.
ADVERTISING	1,458,094.	2,756.
PRINTING	5,376,888.	10,162.
MISCELLANEOUS	142,240,573.	268,821.
COMPUTER AND COMPUTER SUPPLIES	1,816,684.	3,433.
TRAVEL	22,546,223.	42,610.
TOTAL	1,462,301,414.	2,763,611.



# Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ See separate instructions.

**File in Duplicate**  
(see **When and Where To File** in the instructions)

Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01/2006**, and ending **12/31/2006**

Name of person filing this return <b>PARTNERS IN HEALTH, A NONPROFIT CORPORATION</b>		<b>A Identifying number</b> <b>04-3567502</b>
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) <b>641 HUNTINGTON AVENUE</b>		<b>B Category of filer</b> (See instructions. Check applicable box(es)). 1 (repealed) 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code <b>BOSTON MA 02115</b>		<b>C</b> Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period _____ %
Filer's tax year beginning <b>01/01/2006</b> , and ending <b>12/31/2006</b>		

**D** Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

**Important:** Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.

<b>1a</b> Name and address of foreign corporation <b>PARTNERS IN HEALTH-LESOTHO NEW EUROPA, 438 POPE JOHN PAUL II STREET MESERU, LT</b>				<b>b</b> Employer identification number, if any <b>FOREIGN</b>	
				<b>c</b> Country under whose laws incorporated <b>LESOTHO</b>	
<b>d</b> Date of incorporation <b>LT</b>	<b>e</b> Principal place of business <b>LT</b>	<b>f</b> Principal business activity code number <b>624200</b>	<b>g</b> Principal business activity <b>HEALTH CARE</b>	<b>h</b> Functional currency <b>LSL</b>	

**2** Provide the following information for the foreign corporation's accounting period stated above.

<b>a</b> Name, address, and identifying number of branch office or agent (if any) in the United States	<b>b</b> If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
<b>c</b> Name and address of foreign corporation's statutory or resident agent in country of incorporation	<b>d</b> Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different	

**Schedule A Stock of the Foreign Corporation**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORG. - NO STOCK	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

Form 5471 (Rev. 12-2005)



**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)**

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			
2	LESOTHO	NONE	6.7042	NONE
3				
4				
5				
6				
7				
8	Total			NONE

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	NONE	58,850.
2a	Trade notes and accounts receivable	NONE	37,198.
b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets		
b	Less accumulated depreciation	( )	( )
9a	Depletable assets		
b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	( )	( )
12	Other assets (attach schedule)		
13	Total assets	NONE	96,048.
Liabilities and Shareholders' Equity			
14	Accounts payable		
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	NONE	96,048.
21	Less cost of treasury stock	( )	( )
22	Total liabilities and shareholders' equity	NONE	96,048.

**Schedule G Other Information**

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
|   | Yes                      | No                                  |
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? . . . . .   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment.   |                          |                                     |
| 2 During the tax year, did the foreign corporation own an interest in any trust? . . . . .  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? . . . . . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).  |                          |                                     |

**Schedule H Current Earnings and Profits** (see instructions)

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account . . . . .		1	643,927.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	<b>Net Additions</b>	<b>Net Subtractions</b>	
	a Capital gains or losses . . . . .		
	b Depreciation and amortization . . . . .		
	c Depletion . . . . .		
	d Investment or incentive allowance . . . . .		
	e Charges to statutory reserves . . . . .		
	f Inventory adjustments . . . . .		
	g Taxes . . . . .		
	h Other (attach schedule) . . . . .		
3 Total net additions . . . . .			
4 Total net subtractions . . . . .			
5 a Current earnings and profits (line 1 plus line 3 minus line 4) . . . . .		5a	643,927.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) . . . . .		5b	
c Combine lines 5a and 5b . . . . .		5c	643,927.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) . . . . .		5d	96,048.
Enter exchange rate used for line 5d ▶			6.7042

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions) . . . . .		1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions) . . . . .		2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) . . . . .		3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) . . . . .		4	
5 Factoring income . . . . .		5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions . . . . .		6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) . . . . .		7	
8 Exchange gain or (loss) on a distribution of previously taxed income . . . . .		8	

- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
|  | Yes                      | No                                  |
| • Was any income of the foreign corporation blocked? . . . . .                             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Did any such income become unblocked during the tax year (see section 964(b))? . . . . . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If the answer to either question is "Yes," attach an explanation.                          |                          |                                     |

**SCHEDULE J  
(Form 5471)**

(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See instructions for Form 5471.

Name of person filing Form 5471

Identifying number

04-3567502

PARTNERS IN HEALTH, A NONPROFIT CORPORATION

Name of foreign corporation

PARTNERS IN HEALTH-LESOTHO

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
1 Balance at beginning of year	NONE				NONE
2a Current year E&P	643,927.				
b Current year deficit in E&P					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	643,927.				
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year					
5a Actual distributions or reclassifications of previously taxed E&P					
b Actual distributions of nonpreviously taxed E&P					
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	643,927.				
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	643,927.				643,927.

For Paperwork Reduction Act Notice, see the instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

**04-3567502**

Name of foreign corporation

**PARTNERS IN HEALTH-LESOTHO**

**Important:** Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **LSL**

**0.1492**

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) . . . . .					
2 Sales of property rights (patents, trademarks, etc.) . . .					
3 Compensation received for technical, managerial, engineering, construction, or like services	<b>NONE</b>				
4 Commissions received . . . . .					
5 Rents, royalties, and license fees received . . . . .					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income), . . .					
7 Interest received . . . . .					
8 Premiums received for insurance or reinsurance, . . . . .					
9 Add lines 1 through 8 . . . . .	<b>NONE</b>				
10 Purchases of stock in trade (inventory) . . . . .					
11 Purchases of tangible property other than stock in trade, . . .					
12 Purchases of property rights (patents, trademarks, etc.) . . .					
13 Compensation paid for technical, managerial, engineering, construction, or like services . .	<b>9,940.</b>				
14 Commissions paid, . . . . .					
15 Rents, royalties, and license fees paid . . . . .					
16 Dividends paid . . . . .					
17 Interest paid . . . . .					
18 Add lines 10 through 17, . . .	<b>9,940.</b>				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	<b>37,198.</b>				

**SCHEDULE O  
(Form 5471)**

(Rev. December 2005)

Department of the Treasury  
Internal Revenue Service

**Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471	Identifying number
<u>PARTNERS IN HEALTH, A NONPROFIT CORPORATION</u>	<u>04-3567502</u>

Name of foreign corporation  
PARTNERS IN HEALTH-LESOTHO

**Important:** Complete a **separate** Schedule O for each foreign corporation for which information must be reported.

**Part I To Be Completed by U.S. Officers and Directors**

(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition
<u>PIH, A NONPROFIT ORG.</u>	<u>641 HUNTINGTON AVENUE BOSTON, MA 02115</u>	<u>04-3567502</u>		

**Part II To Be Completed by U.S. Shareholders**

*Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.*

**Section A — General Shareholder Information**

(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate:			(c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
	(1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	

**Section B — U.S. Persons Who Are Officers or Directors of the Foreign Corporation**

(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es)	
			Offr	Dir
<u>OPHELIA DAHL</u>	<u>641 HUNTINGTON AVENUE BOSTON, MA 02115</u>	<u>UPON REQUEST</u>	<input checked="" type="checkbox"/>	

**Section C — Acquisition of Stock**

(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired		
				(1) Directly	(2) Indirectly	(3) Constructively

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule O (Form 5471) (12-2005)

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

**Section D – Disposition of Stock**

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

**Section E – Organization or Reorganization of Foreign Corporation**

(a) Name and address of transferor			(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

**Section F – Additional Information**

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

PARTNERS IN HEALTH-LESOTHO

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE- HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNGTIONTON AVENUE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 16 - OTHER DEDUCTIONS  
-----

MEDICAL SUPPLIES	65,386.	9,753.
FOOD	39,126.	5,836.
TRAVEL	20,869.	3,113.
OFFICE SUPPLIES	19,751.	2,946.
PATIENT ASSISTANCE	58,588.	8,739.
PRINTING	9,259.	1,381.
PROGRAM EXPENSE	14,059.	2,097.
STIPEND	73,250.	10,926.
BANK FEES	3,101.	463.
MISCELLANEOUS	350,625.	52,299.
	-----	-----
TOTAL	654,014.	97,553.
	=====	=====



# Information Return of U.S. Persons With Respect To Certain Foreign Corporations

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2006, and ending 12/31/2006

**File In Duplicate**  
(see **When and Where To File** in the instructions)

Name of person filing this return  
**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)  
**641 HUNTINGTON AVENUE**

City or town, state, and ZIP code  
**BOSTON MA 02115**

Filer's tax year beginning 01/01/2006, and ending 12/31/2006

**A Identifying number**  
04-3567502

**B Category of filer** (See instructions. Check applicable box(es)).  
1 (repealed) 2  3  4  5

**C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period** \_\_\_\_\_ %

**D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

**Important:** Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.

**1a Name and address of foreign corporation**  
PARTNERS IN HEALTH- RUSSIA  
TREKHPRUDNIY PEREULOK  
MOSCOW, RS

**b Employer identification number, if any**  
FOREIGN

**c Country under whose laws incorporated**  
RUSSIA

**d Date of incorporation** \_\_\_\_\_ **e Principal place of business** RS **f Principal business activity code number** 624200 **g Principal business activity** HEALTHCARE **h Functional currency** RUBLE

**2 Provide the following information for the foreign corporation's accounting period stated above.**

**a Name, address, and identifying number of branch office or agent (if any) in the United States**

**b If a U.S. income tax return was filed, enter:**

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)

**c Name and address of foreign corporation's statutory or resident agent in country of incorporation**

**d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different**

**Schedule A Stock of the Foreign Corporation**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORG. - NO STOCK	NONE	NONE

For Paperwork Reduction Act Notice, see instructions.

**Schedule B U.S. Shareholders of Foreign Corporation (see instructions)**

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
PARTNERS IN HEALTH, A NON PROFIT CORPORATION BOSTON MA 02115 04-3567502	FOREIGN CORPORATION	NONE	NONE	

**Schedule C Income Statement (see instructions)**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
<b>Income</b>	1 a Gross receipts or sales . . . . .	1a 84,655,891.	3,116,141.
	b Returns and allowances . . . . .	1b	
	c Subtract line 1b from line 1a . . . . .	1c 84,655,891.	3,116,141.
	2 Cost of goods sold . . . . .	2	
	3 Gross profit (subtract line 2 from line 1c) . . . . .	3 84,655,891.	3,116,141.
	4 Dividends . . . . .	4	
	5 Interest . . . . .	5	
	6 Gross rents, royalties, and license fees . . . . .	6	
	7 Net gain or (loss) on sale of capital assets . . . . .	7	
8 Other income (attach schedule) . . . . .	8		
9 Total income (add lines 3 through 8) . . . . .	9 84,655,891.	3,116,141.	
<b>Deductions</b>	10 Compensation not deducted elsewhere . . . . .	10 8,322,471.	306,346.
	11 Rents, royalties, and license fees . . . . .	11	
	12 Interest . . . . .	12	
	13 Depreciation not deducted elsewhere . . . . .	13 24,966.	919.
	14 Depletion . . . . .	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) . . . . . STMT. 2	15 1,441,313.	53,054.
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes). . . . . SEE STATEMENT 2. . . . .	16 70,123,937.	2,581,225.
17 Total deductions (add lines 10 through 16) . . . . .	17 79,912,687.	2,941,544.	
<b>Net Income</b>	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) . . . . .	18 4,743,204.	174,595.
	19 Extraordinary items and prior period adjustments (see instructions) . . . . .	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions) . . . . .	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20) . . . . .	21 4,743,204.	174,595.

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)**

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			
2	RUSSIA	NONE	27.1669	NONE
3				
4				
5				
6				
7				
8	Total			NONE

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	233,432.	428,364.
2a	Trade notes and accounts receivable	7,462.	7,570.
b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets	11,925.	8,271.
b	Less accumulated depreciation	( )	( )
9a	Depletable assets		
b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	( )	( )
12	Other assets (attach schedule)		
13	<b>Total assets</b>	<b>252,819.</b>	<b>444,205.</b>
Liabilities and Shareholders' Equity			
14	Accounts payable		
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	252,819.	444,205.
21	Less cost of treasury stock	( )	( )
22	<b>Total liabilities and shareholders' equity</b>	<b>252,819.</b>	<b>444,205.</b>

**Schedule G Other Information**

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes  No   
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes  No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes  No   
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).

**Schedule H Current Earnings and Profits** (see instructions)

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account	1	4,743,204.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	<b>Net Additions</b>	<b>Net Subtractions</b>
	a Capital gains or losses	
	b Depreciation and amortization	
	c Depletion	
	d Investment or incentive allowance	
	e Charges to statutory reserves	
	f Inventory adjustments	
	g Taxes	
	h Other (attach schedule)	
3 Total net additions		
4 Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	4,743,204.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c Combine lines 5a and 5b	5c	4,743,204.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)). Enter exchange rate used for line 5d $\blacktriangleright$ 27.1669	5d	174,595.

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions)	1	NONE
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	NONE
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

• Was any income of the foreign corporation blocked? Yes  No   
 • Did any such income become unblocked during the tax year (see section 964(b))? Yes  No   
 If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J  
(Form 5471)**

(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A NONPROFIT CORPORATION  
Name of foreign corporation

04-3567502

PARTNERS IN HEALTH- RUSSIA

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
<b>1</b> Balance at beginning of year.	7,265,498.				7,265,498.
<b>2a</b> Current year E&P	4,743,204.				
<b>b</b> Current year deficit in E&P					
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	12,008,702.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	12,008,702.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	12,008,702.				12,008,702.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

JSA  
5X1665 1.000

Schedule J (Form 5471) (Rev. 12-2005)

**Transactions Between Controlled Foreign Corporation  
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

04-3567502

Name of foreign corporation

**PARTNERS IN HEALTH- RUSSIA**

**Important:** Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **RUBLES**

27.1660

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) . . . . .					
2 Sales of property rights (patents, trademarks, etc.) . . . . .					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received . . . . .					
5 Rents, royalties, and license fees received . . . . .					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income), . . . . .					
7 Interest received . . . . .					
8 Premiums received for insurance or reinsurance . . . . .					
9 Add lines 1 through 8 . . . . .					
10 Purchases of stock in trade (inventory) . . . . .					
11 Purchases of tangible property other than stock in trade . . . . .					
12 Purchases of property rights (patents, trademarks, etc.) . . . . .					
13 Compensation paid for technical, managerial, engineering, construction, or like services . . . . .	306,346.				
14 Commissions paid . . . . .					
15 Rents, royalties, and license fees paid . . . . .					
16 Dividends paid . . . . .					
17 Interest paid . . . . .					
18 Add lines 10 through 17. . . . .	306,346.				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . . . .					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . . . .	7,570.				

PARTNERS IN HEALTH- RUSSIA

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE- HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVENUE BOSTON, MA 02115	UPON REQUES			X

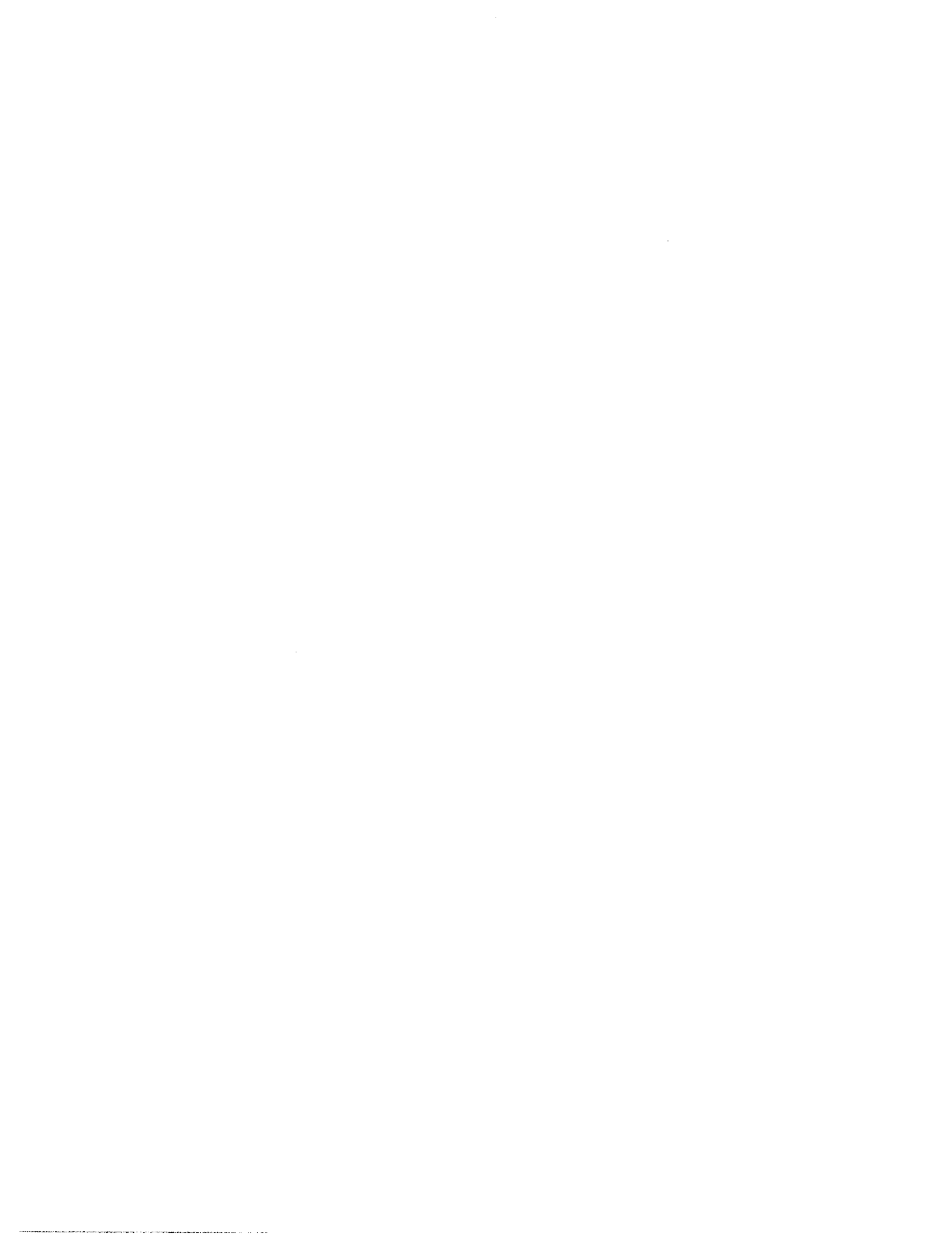
FORM 5471, PAGE 2 DETAIL

SCH C, LINE 15 - TAXES

PAYROLL TAXES	1,441,313.	53,054.
TOTAL	1,441,313.	53,054.

SCH C, LINE 16 - OTHER DEDUCTIONS

TRANSPORTATION	184,879.	6,805.
MAIL, TELEPHONE, COMMUNICATION	860,418.	31,672.
TRAVEL PER DIEM	781,143.	28,753.
BANK FEES	79,167.	2,914.
SUBSCRIPTION AND DUES	12,888.	474.
ENTERTAINMENT EXPENSES	681.	25.
RENT	1,933,262.	71,162.
OFFICE SUPPLIES AND EQUIPMENT	804,261.	29,604.
PROGRAM EXPENSES-GRANTS TO INDIV.	63,360,845.	2,332,281.
CURRENCY TRANSLATION	1,534,468.	56,483.
OTHERS	571,925.	21,052.
TOTAL	70,123,937.	2,581,225.



# Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2006 , and ending 12/31/2006

**File In Duplicate**  
(see **When and Where To File** in the instructions)

Name of person filing this return  
**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)  
**641 HUNTINGTON AVENUE**

City or town, state, and ZIP code  
**BOSTON MA 02115**

Filer's tax year beginning 01/01/2006 , and ending 12/31/2006

**A Identifying number**  
**04-3567502**

**B Category of filer** (See instructions. Check applicable box(es)):  
1 (repealed) 2  3  4  5

**C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period** %

**D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
SEE STATEMENT 1					

**Important:** Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

**1 a Name and address of foreign corporation**  
SOCIO EN SALUD SUCURSAL PERU  
AV. MERINO REYNA 575 RAUL PORRAS B. CARABAYLLO  
LIMA, PE

**b Employer identification number, if any**  
FOREIGN

**c Country under whose laws incorporated**  
PERU

**d Date of incorporation** PE    **e Principal place of business** PE    **f Principal business activity code number** 624200    **g Principal business activity** HEALTHCARE    **h Functional currency** SOL

**2 Provide the following information for the foreign corporation's accounting period stated above.**

**a Name, address, and identifying number of branch office or agent (if any) in the United States**

**b If a U.S. income tax return was filed, enter:**

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)

**c Name and address of foreign corporation's statutory or resident agent in country of incorporation**

**d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different**

**Schedule A Stock of the Foreign Corporation**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
FOREIGN ORG. - NO STOCK	NONE	NONE

**Schedule B U.S. Shareholders of Foreign Corporation (see instructions)**

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
PARTNERS IN HEALTH, A NON PROFIT ORGANIZATION BOSTON MA 02115 04-3567502	FOREIGN CORPORATION	NONE	NONE	

**Schedule C Income Statement (see instructions)**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
<b>Income</b>	1 a Gross receipts or sales . . . . .	1a 10,226,927.	3,091,574.
	b Returns and allowances . . . . .	1b	
	c Subtract line 1b from line 1a . . . . .	1c 10,226,927.	3,091,574.
	2 Cost of goods sold . . . . .	2	
	3 Gross profit (subtract line 2 from line 1c) . . . . .	3 10,226,927.	3,091,574.
	4 Dividends . . . . .	4	
	5 Interest . . . . .	5	
	6 Gross rents, royalties, and license fees . . . . .	6	
	7 Net gain or (loss) on sale of capital assets . . . . .	7	
8 Other income (attach schedule) . . . . . SEE, STATEMENT 2, . . . . .	8 603,267.	182,366.	
9 Total income (add lines 3 through 8) . . . . .	9 10,830,194.	3,273,940.	
<b>Deductions</b>	10 Compensation not deducted elsewhere . . . . .	10	
	11 Rents, royalties, and license fees . . . . .	11	
	12 Interest . . . . .	12	
	13 Depreciation not deducted elsewhere . . . . .	13	
	14 Depletion . . . . .	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) . . . . .	15	
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) . . . . . SEE, STATEMENT 2, . . . . .	16 10,820,659.	3,271,057.
17 Total deductions (add lines 10 through 16) . . . . .	17 10,820,659.	3,271,057.	
<b>Net Income</b>	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) . . . . .	18 9,535.	2,882.
	19 Extraordinary items and prior period adjustments (see instructions) . . . . .	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions) . . . . .	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20) . . . . .	21 9,535.	2,882.

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)**

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			
2	PERU	NONE	3.3080	NONE
3				
4				
5				
6				
7				
8	Total			NONE

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1,225,176.	1,485,814.
2a	Trade notes and accounts receivable	63,713.	34,601.
b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach schedule)		
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets	854,975.	NONE
b	Less accumulated depreciation	( 225,805. )	( NONE )
9a	Depletable assets		
b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill	10,127.	NONE
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	( )	( )
12	Other assets (attach schedule) SEE STATEMENT 3	496,798.	201,766.
13	<b>Total assets</b>	<b>2,424,984.</b>	<b>1,722,181.</b>
<b>Liabilities and Shareholders' Equity</b>			
14	Accounts payable	15,981.	75,860.
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	2,409,003.	1,646,321.
21	Less cost of treasury stock	( )	( )
22	<b>Total liabilities and shareholders' equity</b>	<b>2,424,984.</b>	<b>1,722,181.</b>

**Schedule G Other Information**

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes  No   
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes  No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes  No   
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).

**Schedule H Current Earnings and Profits** (see instructions)

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account	1	9,535.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	<b>Net Additions</b>	<b>Net Subtractions</b>
a Capital gains or losses		
b Depreciation and amortization		
c Depletion		
d Investment or incentive allowance		
e Charges to statutory reserves		
f Inventory adjustments		
g Taxes		
h Other (attach schedule)		
3 Total net additions		
4 Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	9,535.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c Combine lines 5a and 5b	5c	9,535.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)). Enter exchange rate used for line 5d <span style="margin-left: 20px;">▶</span> 3.3080	5d	2,882.

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions)	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

- Was any income of the foreign corporation blocked? Yes  No
  - Did any such income become unblocked during the tax year (see section 964(b))? Yes  No
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J  
(Form 5471)**

(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

PARTNERS IN HEALTH, A. NONPROFIT CORPORATION  
Name of foreign corporation

04-3567502

SOCIO EN SALUD SICURSAL PERU

	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
<b>1</b> Balance at beginning of year	8,136,325.				8,136,325.
<b>2a</b> Current year E&P	9,535.				
<b>b</b> Current year deficit in E&P					
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	8,145,860.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	8,145,860.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	8,145,860.				8,145,860.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA  
6X1665 1.000

**Transactions Between Controlled Foreign Corporation  
 and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

**PARTNERS IN HEALTH, A NONPROFIT CORPORATION**

**04-3567502**

Name of foreign corporation

**SOCIO EN SALUD SUCURSAL PERU**

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ SOL

3.3639

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory) . . . . .					
2 Sales of property rights (patents, trademarks, etc.) . . . . .					
3 Compensation received for technical, managerial, engineering, construction, or like services . . . . .					
4 Commissions received . . . . .					
5 Rents, royalties, and license fees received . . . . .					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) . . . . .					
7 Interest received . . . . .					
8 Premiums received for insurance or reinsurance . . . . .					
9 Add lines 1 through 8 . . . . .					
10 Purchases of stock in trade (inventory) . . . . .					
11 Purchases of tangible property other than stock in trade . . . . .					
12 Purchases of property rights (patents, trademarks, etc.) . . . . .					
13 Compensation paid for technical, managerial, engineering, construction, or like services . . . . .	2,188,547.				
14 Commissions paid . . . . .					
15 Rents, royalties, and license fees paid . . . . .					
16 Dividends paid . . . . .					
17 Interest paid . . . . .					
18 Add lines 10 through 17 . . . . .	2,188,547.				
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . . . .					
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . . . .	34,601.				

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 12-2005)

SOCIO EN SALUD SUCURSAL PERU

FORM 5471, PAGE 1 DETAIL

FORM 5471 PAGE ONE DETAIL

SEC D - PERSONS WITH WHOM, OR ON WHOSE BEHALF, THIS RETURN IS FILED

(A) NAME	(B) ADDRESS	(C) IDENTIFYING NUMBER	(D) CHECK APPLICABLE BOXES		
			SHARE- HOLDER	OFFICER	DIRECTOR
OPHELIA DAHL	641 HUNTINGTON AVE BOSTON, MA 02115	UPON REQUES			X

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

CURRENCY TRANSLATION	576,426.	174,252.
OTHER INCOME	26,841.	8,114.
	-----	-----
TOTAL	603,267.	182,366.
	=====	=====

SCH C, LINE 16 - OTHER DEDUCTIONS

PHARMACEUTICALS	845,976.	255,736.
PAYROLL EXPENSES	2,104,212.	636,098.
OUTSIDE SERVICES	5,136,333.	1,552,700.
TRAVEL	206,119.	62,309.
SUPPLIES, REPAIRS, MAINTENANCE	82,657.	24,987.
OFFICE EXPENSES	122,261.	36,959.
PROGRAM EXPENSE	2,323,101.	702,268.
	-----	-----
TOTAL	10,820,659.	3,271,057.
	=====	=====

FORM 5471, PAGE 3 DETAIL

	BEGINNING	ENDING
	-----	-----
	US CURRENCY	US CURRENCY
	-----	-----
SCH F, LINE 12 - OTHER ASSETS		
-----		
MEDICINE IN HAND	102,981.	NONE
PREPAID EXPENSES	4,446.	201,766.
TAX CREDIT RECEIVABLES	389,371.	NONE
	-----	-----
TOTALS	496,798.	201,766.
	=====	=====