

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2003 calendar year, or tax year beginning 2003, and ending

B Check if applicable:

- Address change
Name change
Initial return
Final return
Amended return
Application pending

Please use IRS label or print or type. See specific instructions.

HUMAN DEVELOPMENT FOUNDATION OF NORTH AMERICA
1350 REMINGTON ROAD STE.W
SCHAUMBURG, IL 60173

D Employer Identification Number

36-4184940

E Telephone number

847-490-0100

F Accounting method:

- Cash
Accrual
Other (specify)

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

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? Yes No

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? Yes No

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: WWW.HDF.CIM

J Organization type

501(c) 3 (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000.

The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Group Exemption Number

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12... 1,517,216.

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

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income; 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income; 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25			
26	Other salaries and wages	26 136,586.		136,586.	
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35 12,483.		12,483.	
36	Occupancy	36 23,730.		23,730.	
37	Equipment rental and maintenance	37			
38	Printing and publications	38 22,452.		22,452.	
39	Travel	39			
40	Conferences, conventions, and meetings	40 15,840.		15,840.	
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42 2,828.		2,828.	
43	Other expenses not covered above (itemize):				
a	SEE STATEMENT 4	43a 977,254.	683,129.	42,759.	251,366.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
44	Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15.	44 1,191,173.	683,129.	256,678.	251,366.

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

What is the organization's primary exempt purpose? <input type="checkbox"/> SEE STATEMENT 5	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a SEE STATEMENT 6	
----- ----- ----- ----- (Grants and allocations \$ _____)	683,129.
b	
----- ----- ----- ----- (Grants and allocations \$ _____)	
c	
----- ----- ----- ----- (Grants and allocations \$ _____)	
d	
----- ----- ----- ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	683,129.

Part IV Balance Sheets (See Instructions)

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

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing.....	114,554.	45	217,344.
	46 Savings and temporary cash investments.....	165,097.	46	140,501.
	47a Accounts receivable.....	47a		
	b Less: allowance for doubtful accounts.....	47b	47c	
	48a Pledges receivable.....	48a		
	b Less: allowance for doubtful accounts.....	48b	48c	
	49 Grants receivable.....		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule).....		50	
	51a Other notes & loans receivable (attach sch.).....	51a		
	b Less: allowance for doubtful accounts.....	51b	51c	
	52 Inventories for sale or use.....		52	
	53 Prepaid expenses and deferred charges.....	5,951.	53	1,675.
	54 Investments — securities (attach schedule).....	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV 224,705.	54	306,220.
	55a Investments — land, buildings, & equipment: basis.....	55a 14,142.		
b Less: accumulated depreciation (attach schedule).....	55b STATEMENT 7 6,719.	10,251.	55c 7,423.	
56 Investments — other (attach schedule).....		56		
57a Land, buildings, and equipment: basis.....	57a			
b Less: accumulated depreciation (attach schedule).....	57b	57c		
58 Other assets (describe ► SEE STATEMENT 8).....		58	654,153.	
59 Total assets (add lines 45 through 58) (must equal line 74).....	520,558.	59	1,327,316.	
LIABILITIES	60 Accounts payable and accrued expenses.....	19,221.	60	782.
	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 ► SEE STATEMENT 9).....		65	499,153.
66 Total liabilities (add lines 60 through 65).....	19,221.	66	499,935.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted.....	94,438.	67	-350,336.
	68 Temporarily restricted.....	17,098.	68	105,500.
	69 Permanently restricted.....	389,801.	69	1,072,217.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds.....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund.....		71	
	72 Retained earnings, endowment, accumulated income, or other funds.....		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).....	501,337.	73	827,381.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73).....	520,558.	74	1,327,316.	

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

Part VI Other Information (See instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
80b	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions.	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
85b	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
85c	c Dues, assessments, and similar amounts from members.	85c	N/A
85d	d Section 162(e) lobbying and political expenditures.	85d	N/A
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.	85e	N/A
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f	N/A
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85h	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
86a	86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a	N/A
86b	b Gross receipts, included on line 12, for public use of club facilities.	86b	N/A
87a	87 501(c)(12) organizations. Enter: a Gross income from members or shareholders.	87a	N/A
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.		X
89a	89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
89b	b 501(c)(3) and 501(c)(4) organizations. 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
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization.		0.
90a	90a List the states with which a copy of this return is filed <u>ILLINOIS</u>		
90b	b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b	2
91	91 The books are in care of <u>KEVIN MCDERMOTT</u> Telephone number <u>847-490-0100</u> Located at <u>1350 REMINGTON LANE, SCHAUMBURG, IL</u> ZIP + 4 <u>60173</u>		
92	92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. <input type="checkbox"/> 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 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 MISCELLANEOUS INCOME					9,571.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
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 pers prop					
99 Other investment income					67,663.
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					84,107.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					161,341.
105 Total (add line 104, columns (B), (D), and (E))					161,341.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
N/A	

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

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

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

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

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

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

Please Sign Here: Signature of officer: Naheed M. Gajjum Date: 10/13/04
 Type or print name and title: Naheed M. Gajjum

Paid Preparer's Use Only: Preparer's signature: [Signature] Date: 10/12/04 Check if self-employed: Preparer's SSN or PTIN (see General Instruction W): N/A
 Firm's name (or yours if self-employed): MANNING SILVERMAN & COMPANY
 address, and ZIP + 4: 175 OLDE HALF DAY ROAD, #290 LINCOLNSHIRE, IL 60069
 EIN: N/A Phone no.: (847) 459-8850

Footnotes to HDF Financial Reports

The Human Development Foundation of North America (“HDF”) and its Board of Directors understand the concerns donors have regarding appropriate use of their funds and the desire that their donations should be used to benefit recipients of HDF’s program services. The following explanation is an attempt to address these concerns:

A. Fundraising Expenses:

- a) HDF raises funds for its program services through three primary channels:
 - i. Fundraisers
 - ii. Direct mail campaigns
 - iii. Personal contacts
- b) The expenses related to fundraising activities include:
 - i. Direct expenses for holding the fundraisers, e.g. food, hall, speaker, entertainment etc.; and for direct mail campaigns, printing and mailing expenses, etc.
 - ii. Donor management and communication, e.g. maintaining our donor database, sending reminders for pledges, thank you letters, etc.
 - iii. Communication activities for keeping donors informed about the progress of HDF’s projects, e.g. our annual Report to the Community and periodic newsletters.
- c) HDF is very sensitive to donor concerns about expense management and makes every effort to reduce our overall expenses. Every effort is made to meet the direct expenses of our special fund raising events through the sale of tickets or by soliciting donations in kind (e.g., sponsorship for food, printing expenses or hall costs, etc.).

B. Administrative Expenses:

HDF is fortunate to have a group of donors, known as Sustaining Members, who have pledged to donate \$2,000 per year specifically towards operational expenses. This helps us reduce the use of your donations for overhead costs. Sustaining Member contributions are accounted for in our overall revenue and are not reflected as offsets in our overall administrative expense reporting.

C. Meeting Expenses:

Every nonprofit organization, including HDF, must hold regular meetings to carry out its work and to comply with regulatory agency requirements. All attendees at HDF meetings, including board members, volunteers, and observers pay for their own travel, room and meal costs. HDF does, however, pay expenses related to staff members' attendance at these meetings (generally limited to two staff members per meeting).

Board members and other Board meeting attendees also pay a registration fee for each meeting that helps to defray the costs of conducting the meeting including renting a

meeting room, providing meals, and producing materials necessary for the meeting. These registration fees are accounted for as part of our normal revenue, and they are not reflected in the “Meeting Expenses” reporting line.

D. Program Monitoring and Evaluation:

Many HDF board members travel to Pakistan for the specific purpose of overseeing the activities of the organization in Pakistan. Such board members pay all costs related to their travel and accommodations, including travel within Pakistan, without reimbursement from HDF.

E. Other Investment Income

Other investment income consists of gains or losses in marketable securities from HDF’s endowment fund only. Endowment funds are restricted funds that have been specifically designated for the endowment and do not include regular or Zakat donations. No funds other than endowment funds are invested in any kind of risk bearing investment vehicle.

HDF is an independent, grassroots, not-for-profit 501 (c) 3 organization. It is not affiliated with and does not receive money from or contribute money to any government, corporation or other non-governmental organization.