

GIH

1 9 9 9 A N N U A L R E P O R T



► Connecting The Pieces

For over 17 years, Grantmakers In Health (GIH) has been supporting the work of staff and trustees of foundations and corporate giving programs in the health field. Many people know of us through the meetings we sponsor and the publications we produce. But GIH is about more than convening and publishing. We are working to generate knowledge and communicate information about health issues and grantmaking strategies that work in health. We also help grantmakers anticipate and respond to changes in the health system and health policy at the federal, state, and local level that affect their work.

GIH is the professional home for health grantmakers, a place they can turn to for strategic guidance and information on broad subject areas. Unlike other organizations focused on health, we can put health issues in the context of the questions and challenges facing those in philanthropy. And unlike other organizations serving philanthropy, we have the ability to address operational challenges in ways that are targeted to foundations seeking to make a difference in the health of a population or a community. GIH puts health grantmakers in touch with each other as well as with grantmakers in other fields whose work has important implications for health.

GIH puts all these different pieces of the puzzle together in ways that make sense for health philanthropy. We provide this information in many forms including technical assistance and consultation with grantmakers on both programmatic and operational issues, convening, publishing and disseminating written products, education and training, brokering professional relationships, and conducting studies of health philanthropy.

► Message from the Chair

"What is needed now is a new style of leadership that recognizes the importance of collaboration and the dispersion of initiative."

– John Gardner

As grantmakers in health, we address some of society's most complex problems. In the last century, our funding developed vaccines, established medical schools, slowed epidemics, and worked to ensure access to health care. Like most venture capitalists, sometimes we were successful. Other times we weren't.

Few were the times our intentions - and those we fund - weren't noble and guided by a vision for the greater good. We lived by the tenets of philanthropy, to make change possible and improve humankind. But did we do a good job of measuring the results of our work? Were we as accountable as we should have been? Did we identify the stories of our grantmaking so we could celebrate our successes and share the lessons we learned?

As much as sound investments and effective grant-making are part of our philanthropic responsibility, so is connecting with each other. As we nestle into the first half of the new millennium, let's not forget that at Grantmakers In Health (GIH), we are a community. While diverse in our interests and approaches, we are - as former Commonwealth Fund President Margaret Mahoney says - privileged in our quest to improve the health and quality of lives of those we serve. But that doesn't come without responsibility.

Health and social problems are increasing in their complexity. According to Peter Drucker, we are "in one of those historical periods that occur every 200 to 300 years when people don't understand the world anymore, and the past is not sufficient to explain the future."

Multifaceted problems make it difficult to find ways to make an impact on health and health care. It is time to use our privilege and responsibility – and our independence as grantmakers – to make a difference.

In our work, we often turn to communities to help us bring sense and – more importantly – connections together. We strive to make order, or at least understanding, out of chaos. The power, we say, is at the local level. In reality, the power is at the human level, where people begin to make connections that add up to a lifetime of change.

At GIH, our goal in 1999 was to begin construction of a community, a professional home, for health grantmakers. Among our tools were the Resource Center on Health Philanthropy and its database on health grantmaking, and the Support Center for Health Foundations. These tools provide the structure for our organization, the foundation upon which to build our human connections.

GIH should be the best of us. It provides a professional staff, the organizational vision, and the resources to advance the field and shine a light on it. GIH should be the reminder for why we chose this field, the touchstone to help match our hearts to our heads for the privilege of this work.

With GIH, we don't have to work in isolation from one another, nor from other potential partners in the public and private sectors. When we advocate about collaboration to our grantees, we can show how we are incorporating these principles within our own organizations. GIH and its staff, under the leadership of Lauren LeRoy, is ready to take it to the next level, to raise the value of philanthropy. We are working to find ways to measure our impact, tell our stories, and connect with each other so we can be stronger together.

The Native American culture from the prairie believes all of life's work should be done in circles. It is the power of the world.

At GIH, we have the power. Let's unite and unleash it together.

Marni Vliet

*Chair, Grantmakers In Health
President and CEO, Kansas Health Foundation*



► Message from the President

When I think about the work of Grantmakers In Health (GIH) over the past year, certain images come to mind. Grantmakers gather at an Issue Dialogue to learn about women's health and discuss steps they can take to improve it. A program officer calls for advice on grantmaking strategies for school-based health programs. Staff and trustees of new health foundations come to a GIH workshop for advice on operational issues and strategic planning. Foundations seek assistance in finding partners with mutual interests. A CEO requests copies of GIH's latest survey report on new health foundations to circulate to his trustees. At GIH's Washington Briefing and Annual Meeting, health grantmakers hear about key program and policy topics, share information with colleagues, learn new ways of approaching their work, and reflect on the issues, possibilities, and passions that inspire them.

All of these activities stem from GIH's ability to:

- provide accurate, timely information in meaningful ways;
- draw on staff expertise to define issues, shape agendas, and share knowledge;
- track developments in health philanthropy and policy changes that can affect foundation programming;
- develop relationships with foundation staff and trustees, program and policy experts, and government officials that further common agendas; and
- act as a catalyst for new ideas and action.

The success of these programs and resources rests on both the continued strong support from our Funding Partners and a commitment to service that infuses all of our work.

GIH is not the same organization it was a year ago, although you may not know it by looking at the structure of our programs. Our core activities, the Resource Center on Health Philanthropy and Support Center for Health Foundations, are not new. But what they can do for grantmakers has changed. The Resource Center's database on health grantmaking has become a reality, working for grantmakers every day. Its utility is immeasurably increased by staff who know how to frame the issues and how to both tap the data and integrate it with other pertinent information.

The Support Center remains the first place to call when new health foundations have operational and strategic concerns. Nothing remains static in health philanthropy, however. Responding to changes in the field, the Support Center has now expanded its audience to include professionals new to the field, even when they work for well-established foundations. And it is offering some operational programs even more broadly because some of the issues new foundations grapple with — ethics, consensus building, grantmaker-grantee relations — are so fundamental that they belong on every foundation's agenda. Some of the new health foundations have matured, and their needs have changed. To continue to be their resource, the Support Center has added advanced tracks to its grantmaking workshops.

GIH's Policy Programs came of age in 1999. GIH was in the right place at the right time to respond to the growing interest across government in finding community partners. Our work to develop relationships with public agencies, educate them about health philanthropy, identify shared interests, and stimulate collaboration has positioned GIH to help grantmakers leverage the resources available to their communities.

GIH is more than a set of separate programs under one roof. The complexity of issues facing health philanthropy requires integration of information, strategy, policy, and relationships. Making those connections explicit and using them to help grantmakers be more effective is what we bring to the field. Together with GIH, you can help shape the organization as your professional home. Our doors are open to learning, new ideas, and tough questions about philanthropy's value and roles. We welcome the diversity of health grantmakers and try to make it our strength. We can listen to one another and find new ways to work together. And as we do, we are creating a community whose impact exceeds what each of us might have accomplished working alone.

Lauren LeRoy, Ph.D.
President and CEO



► Resource Center on Health Philanthropy

Launched in 1998, the GIH Resource Center on Health Philanthropy monitors the activities of health grantmakers and synthesizes lessons learned from their work. We have marshalled both staff and technological resources to focus our work on identifying who is doing what, lessons learned and best practices, putting the pieces together, and communicating that knowledge with the field. At its heart are staff with backgrounds in philanthropy and health whose expertise can help grantmakers get the information they need and an electronic database that assists them in this effort. The Resource Center acts as the eyes and ears of GIH in assessing developments in the field and acting as a catalyst in health philanthropy.

To support the work of the Resource Center, GIH has developed a searchable database on the priorities, grants, and initiatives of health grantmakers. This database captures and categorizes the work of health philanthropy by foundation characteristics, health programming area, targeted populations, and funding strategy. Unlike other philanthropic databases, it was designed with the health field in mind and captures a broad range of health issues related to health care delivery, access to care, public health, personal health, and other human services. It has the potential to include far more detailed information on grants and initiatives than is currently available from other sources. To date, the database includes information on over 3,500 grants and initiatives funded by 200

different foundations and corporate giving programs. GIH is using this information proactively in designing all its programs and publications. It has led to the creation of *Issue Focus*, a monthly feature in the *GIH Bulletin*. And our *Findings* series, launched in conjunction with the 1999 Washington Briefing, also uses information from the database to keep grantmakers up to speed on the work of their colleagues on specific issues such as tobacco control, the State Children's Health Insurance Program, oral health, and gun violence.

Program Associates **Saba Brelvi** (top), **Kate Treanor** (bottom left), and **Malcolm Williams** (bottom right) bring their expertise in health to bear on grantmakers' questions and concerns.



► Support Center for Health Foundations

Jennifer Fountain
joined GIH in early 2000 as
project director for the Support
Center for Health Foundations,
bringing new energy and focus
to its work.



Since 1997, GIH has been working to help new health foundations, particularly those formed from the conversions of nonprofit hospitals, health systems, and health plans, develop effective programs, organizational structures, and operational approaches. In 1999, we expanded this effort in order to both continue serving new foundations and bring our storehouse of knowledge on governance, staffing, developing a grantmaking agenda, working with communities, and other day-to-day concerns to other health foundations and to individuals new to the field of philanthropy. The name of the Support Center has changed to reflect this expanded audience but our mission remains the same: to get grantmakers the answers they need and the advice they can trust in building and shaping a philanthropic agenda to improve health. Activities of the Support Center include:

- providing information and technical assistance on governance, grantmaking, and foundation management and operations such as developing a mission and grant guidelines, conducting a community needs assessment, strategic planning, conflicts of interest, and developing requests for proposals;
- creating educational programs and workshops on governance, grantmaking, and management topics including the fundamentals of health grantmaking, communications, trustee roles and responsibilities, consensus building, and ethical issues;
- regularly surveying health foundations to develop information on funding priorities, staffing, and governance structures; and
- sharing examples of health funding programs mounted by other organizations, drawn from GIH's database of health grants and initiatives.

► Sparking Connections

Some of the best ideas come from bringing people together and helping them find common interests. Making this happen, however, takes more than just getting people in the same room. Sparking connections among grantmakers, and between grantmakers and policymakers is at the heart of what GIH does. We create the sparks by identifying issues of mutual interest, focusing on areas where collaboration makes sense, and bringing people together when the time is ripe.

In 1999, GIH focused on sparking connections in three different settings:

- Partnerships for Maternal, Child, and Adolescent Health. This joint effort of GIH and the federal Maternal and Child Health Bureau (MCHB) brings grantmakers together with public-sector decision-makers to share information and develop collaborative community-based projects. This initiative is active in Colorado, Massachusetts, New York, Texas, and the Southeast.
- Policy Programs. GIH is working actively with several federal agencies, including the Centers for Disease Control and Prevention, the Health Care Financing Administration, and the Health Resources and Services Administration, to educate federal officials about the work of health philanthropy and to identify opportunities for work that is either collaborative or complementary.
- Issue Dialogues. Everyone is hungry to learn about best practices and models that work. Issue Dialogues, one-day, intensive small group meetings on subjects like prevention and women's health and youth mentoring, provide the opportunity for experienced grantmakers, as well as those just testing the waters, to share their strategies, successes, and failures with their peers. GIH convened three of these programs in 1999 and produced an Issue Brief from each meeting to disseminate more broadly an analysis of the issue as well as the lessons learned for grantmaking to others in the field.

Anne Schwartz,
Vice President (left), and
Mary Backley,
Chief Operating Officer (right),
work to spark connections
among grantmakers and between
grantmakers and policymakers.



► Funding Partners | 1999

Funding Partners contribute to GIH's programs and operations in the form of core (unrestricted) or program support. We gratefully acknowledge the commitment and contributions of these organizations.

AARP Andrus Foundation
Aetna Foundation, Inc.
The Ahmanson Foundation
Alliance Healthcare Foundation
The Jenifer Altman Foundation
American Legacy Foundation
Archstone Foundation
ARCO Foundation
Arlington Health Foundation
The Assisi Foundation of Memphis, Inc.
Austin-Bailey Health & Wellness Foundation
Helen Bader Foundation
The R.C. Baker Foundation
Baptist Community Ministries
Bedford Community Health Foundation, Inc.
Claude Worthington Benedum Foundation
The Bingham Program
Birmingham Foundation
Mary Black Foundation, Inc.
The Blowitz-Ridgeway Foundation
Blue Cross/Blue Shield of Colorado Foundation
Blue Cross Blue Shield of Michigan Foundation
The Boston Foundation
Bristol-Myers Squibb Foundation, Inc.
The Brown Foundation, Inc.
The Burnett Foundation
Burroughs Wellcome Fund
The California Endowment
California HealthCare Foundation
The California Wellness Foundation
The Annie E. Casey Foundation
Catholic Healthcare West
CDC Foundation
Centra Health Foundation
The Chicago Community Trust
Citigroup Foundation
The Cleveland Foundation
The Colorado Trust
The Columbus Foundation
Columbus Medical Association Foundation
The Commonwealth Fund
Community Health Corporation
Community Memorial Foundation
Comprehensive Health Education Foundation
Moses Cone-Wesley Long Community Health Foundation

Consumer Health Foundation
Jessie B. Cox Charitable Trust
The Nathan Cummings Foundation
Dakota Medical Foundation
Deaconess Foundation
Ira W. DeCamp Foundation
Desert Healthcare Foundation
The Duke Endowment
The Dyson Foundation
Episcopal Health Charities
Exxon Corporation
The Federation of Independent School Alumnae (FISA) Foundation
Fetzer Institute
The Flinn Foundation
The Ford Foundation
Foundation for Child Development
Foundation for Seacoast Health
Franklin Benevolent Corporation
The Frist Foundation
The Helene Fuld Health Trust
Good Samaritan Foundation, Inc.
William T. Grant Foundation
The Greenwall Foundation
GTE Foundation
Guardian Life Insurance Company of America
The George Gund Foundation
The John A. Hartford Foundation, Inc.
Hawai'i Community Foundation
HCR Manor Care Foundation, Inc.
The Health Foundation of Central Massachusetts, Inc.
The Health Foundation of Greater Cincinnati
The Health Foundation of Greater Indianapolis, Inc.
Health Foundation of South Florida
Health Resources and Services Administration
The Health Trust
The Healthcare Foundation for Orange County
The Healthcare Foundation of New Jersey
HealthONE Alliance
The Hearst Foundation, Inc.
HMSA Foundation
Hoffmann-La Roche Inc.
Hogg Foundation for Mental Health
Houston Endowment, Inc.
Howard Hughes Medical Institute

The Hyde and Watson Foundation
Incarnate Word Foundation
Independence Foundation
Irvine Health Foundation
The James Irvine Foundation
Annabella R. Jenkins Foundation
Jewish Healthcare Foundation
Johnson & Johnson
The Robert Wood Johnson Foundation
W. Alton Jones Foundation
The Henry J. Kaiser Family Foundation
Kansas Health Foundation
A.J. Kauvar Foundation
W.K. Kellogg Foundation
The Esther A. & Joseph Klingenstein Fund, Inc.
Lancaster Osteopathic Health Foundation
The Jacob & Valeria Langeloth Foundation
The John D. and Catherine T. MacArthur Foundation
Dr. John T. Macdonald Foundation, Inc.
Josiah Macy, Jr. Foundation
The Meadows Foundation
The Medtronic Foundation
The Merck Company Foundation
Methodist Healthcare Ministries of South Texas, Inc.
Metro Health Foundation
Metropolitan Life Foundation
Eugene & Agnes E. Meyer Foundation
Mid-Iowa Health Foundation
Milbank Memorial Fund
The Monsanto Fund
The Mt. Sinai Health Care Foundation
John Muir/Mt. Diablo Community Health Benefit Corporation
Nationwide Insurance Enterprise Foundation
The New Hampshire Charitable Foundation
The New York Community Trust
North Dade Medical Foundation, Inc./
North Shore Medical Center Foundation, Inc.
Northwest Health Foundation
Osteopathic Heritage Foundation
The David and Lucile Packard Foundation
Paso del Norte Health Foundation
Peninsula Community Foundation
The Pew Charitable Trusts
Pfizer Inc

Phoenixville Community Health Foundation
The Pittsburgh Foundation
The Dorothy Rider Pool Health Care Trust
Portsmouth General Hospital Foundation
Public Welfare Foundation
Quantum Foundation, Inc.
QueensCare
The Rapides Foundation
REACH Community Health Foundation, Inc.
Michael Reese Health Trust
The Retirement Research Foundation
Donald W. Reynolds Foundation
Kate B. Reynolds Charitable Trust
Fannie E. Rippel Foundation
Roanoke-Chowan Foundation, Inc.
The Rockefeller Foundation
Rose Community Foundation
St. Luke's Charitable Health Trust
Saint Luke's Foundation of Cleveland, Ohio
The Fan Fox and Leslie R. Samuels Foundation, Inc.
San Angelo Health Foundation
The San Francisco Foundation
Sierra Health Foundation
Sisters of Charity Foundation of Canton
Sisters of Charity Foundation of Cleveland
Sisters of Charity Foundation of South Carolina
Sisters of Mercy of North Carolina Foundation, Inc.
The Sisters of St. Joseph Charitable Fund
The Skillman Foundation
SmithKline Beecham
Victor E. Speas Foundation
Levi Strauss Foundation
Tenet Healthcare Foundation
Tufts Health Plan
Tuscora Park Health and Wellness Foundation
UniHealth Foundation
United Methodist Health Ministry Fund
Virginia Health Care Foundation
The Warner-Lambert Foundation
Washington Square Health Foundation, Inc.
Welborn Foundation, Inc.
Williamsburg Community Health Foundation

► Activities Report

1999 activities, meetings, and publications of Grantmakers In Health

MEETINGS

Ethical Fitness Seminar

Sponsored by GIH's Support Center for New Health Foundations.
February 17, 1999. Tempe, Arizona.

Social Inequalities in Health

Annual Meeting on Health Philanthropy.
February 18-19, 1999. Tempe, Arizona.

Consensus Building as a Tool for More Effective Grantmaking

A Skills Building Workshop.
February 19, 1999. Tempe, Arizona

Healthy People, Healthy Communities: Action Steps for Grantmakers

Preconference Session to the Council on Foundations Annual Meeting.
April 18, 1999. New Orleans, Louisiana.

After the Dust Settles: A Profile of Health Care Conversion Foundations

Annual Meeting of the Association for Health Services Research.
June 27-29, 1999. Chicago, Illinois.

Victims of Our Own Success: The Immunization Debate as the Paradigm of Effective Prevention

A Grantmakers In Health Roundtable Discussion/Dialogue.
August 25, 1999. Washington, DC.

The Art and Science of Grantmaking II

Sponsored by GIH's Support Center for New Health Foundations.
October 21-22, 1999. San Francisco, California.

Grantmakers In Health Washington Briefing

November 4-5, 1999. Washington, DC.

ISSUE DIALOGUE SERIES

Prevention and Women's Health: Making the Health Care System More Responsive to Women

May 10, 1999. Washington, DC.

Coping with Managed Care:

Responding to the Needs of the Elderly
June 17, 1999. Washington, DC.

Youth Mentoring: A Social Development Approach to Youth Health Promotion.

Co-sponsored by Grantmakers In Health and Grantmakers for Children, Youth and Families.
November 3, 1999. Washington, DC.

PARTNERSHIPS FOR MATERNAL, CHILD, AND ADOLESCENT HEALTH

New York City's Health Care Environment 1999: System Changes, Access Issues and Policy Changes

The Chase Manhattan Bank.
January 28, 1999. New York, New York.

From the Front Line:

Grantmakers and State Partnerships for Improved Child and Adolescent Health
February 3, 1999. Denver, Colorado.

Welfare Reform: How is it Affecting the Health and Well-Being of Children

February 17, 1999. Tempe, Arizona.

Overcoming Racial and Ethnic Disparities in Health: Opportunities for Grantmakers and Government to Work Together

The Rockefeller University.
May 14, 1999. New York, New York.

New Initiatives for Texas Children and Their Families

Hogg Foundation for Mental Health.
June 18, 1999. Austin, Texas.

New Yorkers Without Health Insurance - An Escalating Crisis Issues Update. Options for Expanding Coverage, Current Initiatives, and Opportunities

The United Hospital Fund of New York.
November 18, 1999. New York, New York.

CO-SPONSORED CONFERENCES

Women and Disabilities

A cosponsored conference by Grantmakers In Health, Center for Women Policy Studies, Disability Funders Network, Women & Philanthropy, and the Women's Funding Network.
June 17-18, 1999. Oakland, California.

Family Caregiving in an Aging America

Annual Meeting of Grantmakers in Aging, cosponsored by Grantmakers In Health.
October 13-15, 1999. Chicago, Illinois.

PUBLICATIONS

GIH Bulletin

24 issues of this biweekly periodical focusing on grantmaking, people, and surveys and studies of interest to health philanthropy. Each month, the *Bulletin* includes an *Issue Focus* highlighting a specific health topic and relevant grantmaking strategies. 1999 *Issue Focus* articles included:

- *Improving Access to Care: New Solutions to an Old Problem*
February 1999.
- *Building Healthy Communities: What is a Healthy Community?*
April 1999.
- *Prevention and Women's Health: Can Philanthropy Make a Difference?*
May 1999.
- *Intergenerational Programs: Drawing on the Resources of Youth and Elderly*
June 1999.
- *Beyond Access: Family-Centered Care*
July 1999.
- *Building Consensus Around a Health Funding Agenda*
August 1999.
- *Y2K and Health Care*
September 1999.

- *Access to Dental Health Services: It's Not Just About Pretty Smiles*
October 1999.
- *Youth Mentoring: Creative Strategies for Promoting Youth Health*
December 1999.

REPORTS

Social Inequalities in Health: Keynote Addresses from the Annual Meeting on Health Philanthropy
February 1999.

Coming of Age: Findings from the 1998 Survey of Foundations Created by Health Care Conversions
February 1999.

ISSUE BRIEFS

Prevention and Women's Health: Making the Health Care System More Responsive to Women
Issue Brief No. 1. May 1999.
Based on a Grantmakers In Health Issue Dialogue.

Coping with Managed Care: Responding to the Needs of the Elderly
Issue Brief No. 2. July 1999.
Based on a Grantmakers In Health Issue Dialogue.

Youth Mentoring: A Social Development Approach to Youth Health Promotion
Issue Brief No. 3. November 1999.
Based on a Grantmakers In Health Issue Dialogue.

ARTICLES

LeRoy, Lauren and Anne Schwartz,
“Medicare Reform: Foundations Respond to Federal Policy Changes”
Health Affairs 18(1), January-February 1999.

LeRoy, Lauren,
“International Grant Making by U.S. Foundations”
Health Affairs 18(3) May-June 1999.

OTHER

Grantmakers In Health Funding Partner Directory

► Independent Auditor's Report

Board of Directors
Grantmakers In Health
Washington, DC

We have audited the accompanying statement of financial position of Grantmakers In Health as of December 31, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Grantmakers In Health as of December 31, 1998, were audited by other auditors whose report dated February 11, 1999, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grantmakers In Health as of December 31, 1999, and the results of its activities and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Grantmakers In Health taken as a whole. The accompanying supplemental statement of functional expenses has been presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this statement has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly in all material respects in relation to the basic financial statements taken as a whole.

Sarfino and Rhoades, LLP
North Bethesda, MD
January 20, 2000

► Grantmakers In Health Statements of Financial Position

ASSETS

Current Assets:

	DECEMBER 31, 1999	DECEMBER 31, 1998
Cash and cash equivalents (Notes 1 and 6)	\$ 417,238	\$ 380,841
Pledges receivable (Note 2)	573,000	232,500
Prepaid expenses and other	9,468	--
<i>Total Current Assets</i>	<u>\$ 999,706</u>	<u>\$ 613,341</u>

Other Assets:

Pledges receivable (Note 2)	\$ 515,420	\$ 816,661
Investments (Note 3)	2,445,453	2,092,962
Deposit	8,304	8,304
<i>Total Other Assets</i>	<u>\$ 2,969,177</u>	<u>\$ 2,917,927</u>

Property and Equipment (Note 1):

Less, Accumulated depreciation	\$ 129,677	\$ 115,301
	(82,725)	(69,647)
<i>Total Property and Equipment</i>	<u>\$ 46,952</u>	<u>\$ 45,654</u>

TOTAL ASSETS

\$ 4,015,835 \$ 3,576,922

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 10,781	\$ 23,565
Deferred lease benefit (Note 4)	10,639	7,525
<i>Total Current Liabilities</i>	<u>\$ 21,420</u>	<u>\$ 31,090</u>

Commitment (Note 4):

Net Assets (Notes 1 and 5):

Unrestricted:		
Undesignated	\$ 337,064	\$ 156,114
Board designated	2,413,931	2,022,761
Temporarily restricted	1,243,420	1,366,957
<i>Total Net Assets</i>	<u>\$ 3,994,415</u>	<u>\$ 3,545,832</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 4,015,835 \$ 3,576,922

► Grantmakers In Health Statements of Activities

FOR THE YEARS ENDED DECEMBER 31,

	1999			1998		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Grants and contributions (Notes 1 and 3)	\$ 470,527	\$ 1,035,918	\$ 1,506,445	\$ 591,858	\$ 1,416,256	\$ 2,008,114
Investment income	247,329	—	247,329	203,894	—	203,894
Unrealized gain on investments	236,341	—	236,341	217,119	—	217,119
Registration fees	111,085	—	111,085	166,570	—	166,570
Net assets released from restrictions	1,159,455	(1,159,455)	—	714,516	(714,516)	—
<i>Total Revenues</i>	\$ 2,224,737	\$ (123,537)	\$ 2,101,200	\$ 1,893,957	\$ 701,740	\$ 2,595,697
Expenses:						
Programs	\$ 1,244,280	\$ —	\$ 1,244,280	\$ 1,271,804	\$ —	\$ 1,271,804
General and administrative	287,681	—	287,681	205,098	—	205,098
Fundraising	120,656	—	120,656	27,928	—	27,928
<i>Total Expenses</i>	\$ 1,652,617	\$ —	\$ 1,652,617	\$ 1,504,830	\$ —	\$ 1,504,830
CHANGES IN NET ASSETS	\$ 572,120	\$ (123,537)	\$ 448,583	\$ 389,127	\$ 701,740	\$ 1,090,867
NET ASSETS, BEGINNING OF YEAR	2,178,875	1,366,957	3,545,832	1,789,748	665,217	2,454,965
NET ASSETS, END OF YEAR	\$ 2,750,995	\$ 1,243,420	\$ 3,994,415	\$ 2,178,875	\$ 1,366,957	\$ 3,545,832

► Grantmakers In Health Statements of Cash Flows

	FOR THE YEARS ENDED DECEMBER 31,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors	\$ 1,578,272	\$ 1,612,938
Cash paid to suppliers and employees	(1,658,678)	(1,360,288)
Interest and dividends received	214,542	203,893
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 134,136	\$ 456,543
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investments	\$ 92,500	\$ 88,000
Purchases of investments	(175,863)	(253,707)
Purchases of equipment	(14,376)	(17,194)
NET CASH USED IN INVESTING ACTIVITIES	\$ (97,739)	\$ (182,901)
NET INCREASE IN CASH	\$ 36,397	\$ 273,642
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	380,841	107,199
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 417,238	\$ 380,841
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 448,583	\$ 1,090,867
Reconciliation adjustments:		
Depreciation	13,078	17,592
Realized and unrealized gains on investments	(269,128)	(217,119)
Changes in assets and liabilities:		
Pledges receivable	(39,259)	(415,789)
Prepaid expenses and other	(9,468)	5,331
Accounts payable	(12,784)	(27,453)
Deferred lease benefit	3,114	3,114
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 134,136	\$ 456,543

► Grantmakers In Health Notes to Financial Statements

These notes are an integral part of the financial statements.

DECEMBER 31, 1999 AND 1998

Note 1.

Organization and Summary of Significant Accounting Policies

Organization—Grantmakers In Health (the Organization) is a nonprofit organization incorporated in 1985. The purpose of the Organization is to advance and develop, by charitable, scientific, and educational activities, programs designed to better utilize health planning resources, and to provide for collaborative planning and funding for programs and projects in health philanthropy. The major sources of funding for the organization are contributions from private foundations and corporations in the health care industry and federal awards for health care programs.

Basis of Presentation—The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues and expenses are recognized and recorded when earned or incurred. The financial statements reflect unrestricted, temporarily restricted, and permanently restricted net assets and activities. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are reported as part of the unrestricted class.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the

donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates—Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents—For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment—Property and equipment is recorded at cost. Depreciation is computed over estimated useful lives of 5 years using the straight-line method.

Income Taxes—The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The organization does not receive any unrelated business income and does not incur any

expenditures related to political activities or lobbying. Accordingly, no accruals have been made for income taxes.

Expense Allocation—The costs of providing various programs have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2.

Pledges Receivable—Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Organization. Pledges which will not be received in the subsequent year have been discounted using an estimated rate of return which could be earned if such contributions had been made in the current year.

Unconditional promises to give were as follows at December 31:

	1999	1998
Receivable in less than one year	\$ 573,000	\$ 232,500
Receivable in one to five years	600,000	967,500
Total	\$1,173,000	\$1,200,000
Less, discount to net present value	84,580	150,839
Net pledges receivable	\$1,088,420	\$1,049,161

► Grantmakers In Health Notes to Financial Statements (continued)

In 1998, a \$1,000,000 pledge was recognized from The Robert Wood Johnson Foundation. At December 31, 1999, \$800,000 of this pledge was outstanding.

Note 3.

Investments—Investments consist of mutual funds, and are carried at fair market value. Cost and market values as of December 31, 1999 and 1998 are summarized as follows:

	1999	1998
Market value:		
Dreyfus Premier Third Century Fund—Class Z	\$1,987,899	\$1,602,086
Dreyfus A Bonds Plus	233,503	243,959
Dreyfus U.S. Treasury Intermediate Term Fund	224,051	246,917
Total	\$2,445,453	\$2,092,962
Aggregate cost	\$1,644,449	\$1,530,114

Note 4.

Commitment—The Organization entered into an eight-year lease for office space in March 1997. As part of the agreement, the Organization received an abatement of rent of one month per year over the first 5 years of the rental agreement. The total rent abatement of \$41,518 is being amortized over the life of the

rental agreement in the amount of \$432 per month. Future minimum rental payments are as follows, 2000 – \$91,340, 2001 – \$91,340, 2002 – \$99,643, 2003 – \$99,643, 2004 – \$99,643, 2005 – \$24,911.

Total rent expense for the years ended December 31, 1999 and 1998 was \$95,047 and \$94,697, respectively.

Note 5.

Net Assets—Temporarily restricted net assets were as follows at December 31, 1999:

Pledges receivable	\$1,088,420
2000 Annual Meeting on Health Philanthropy	100,000
Linking Local Grantmakers with Community Health Initiatives	25,000
Access to Care and Philanthropy	15,000
Collaborative Initiative Among Community Foundations	10,000
Work on Family-Centered Care	5,000
Total	\$1,243,420

Board-designated funds consisted of the following at December 31, 1999 and 1998:

	1999	1998
Endowment Fund	\$2,238,931	\$1,847,761
Future Program Development	175,000	175,000
Total	\$2,413,931	\$2,022,761

Note 6.

Concentration of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk include cash deposits with a commercial bank and a brokerage firm. The Organization's cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). The amount in excess of FDIC coverage at December 31, 1999 was \$376,021.

Note 7.

Retirement Plan—The Organization maintains a non-contributory defined contribution pension plan, qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, a predetermined contribution is made to the account of each individual employee based on annual compensation. Contributions to the plan for the years ended December 31, 1999 and 1998 were \$29,618 and \$21,086, respectively.

► Grantmakers In Health Statement of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 1999
(with comparative totals for 1998)

	PROGRAM SERVICES									
	Annual Meeting	Council on Foundations Preconference Session	Issue Dialogues	Terrance Keenan Award	Washington Briefing	MCHB Partnership Initiative	Policy Programs	Reports on Philanthropy	Support Center	GIH Bulletin
Accounting/auditing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Annual report	—	—	—	—	—	—	—	—	—	—
Audiovisual	7,679	—	4,553	—	129	—	—	—	254	—
Benefits	10,952	1,116	10,113	82	10,584	3,480	5,374	—	12,774	4,872
Consulting	—	—	7,721	—	1,810	57,834	1,191	4,307	2,344	24,039
Depreciation	1,399	143	1,292	10	1,352	445	687	—	1,632	623
Dues and subscriptions	—	—	—	—	—	—	—	—	—	—
Facility	54,160	1,623	18,711	—	12,344	14,491	—	—	25,855	—
Fundraising	—	—	—	—	—	—	—	—	—	—
Insurance	—	—	—	—	—	—	—	—	—	—
Meetings	—	—	—	—	—	—	—	—	—	—
Miscellaneous	1,346	—	30	5,000	32	4,818	291	—	155	524
Office expenditures	8,104	372	3,291	454	3,889	2,440	1,726	—	4,452	1,502
Planning	—	—	2,925	—	2,037	4,452	2,483	1,834	2,262	12,697
Postage	5,723	634	5,107	7	2,429	4,300	2,075	3,286	5,393	10,992
Printing	10,414	505	16,775	—	5,057	13,395	4,346	8,949	7,210	29,048
Recruiting	—	—	—	—	—	—	—	—	—	—
Rent	10,170	1,036	9,391	76	9,828	3,232	4,990	—	11,862	4,524
Salaries	72,146	7,350	66,618	539	69,719	22,925	35,399	—	84,148	32,095
Secretarial	—	—	—	—	—	—	—	—	—	—
Speakers	8,115	1,910	7,087	—	3,215	—	—	—	—	—
Telephone	1,118	114	1,032	8	1,080	355	548	—	1,303	497
Temporary Help	—	—	293	—	367	—	136	—	407	—
Travel	6,499	1,825	17	—	367	3,031	—	—	15,954	—
Writing/editing	7,731	—	2,997	—	—	—	—	—	—	600
	\$ 205,556	\$ 16,628	\$ 157,953	\$ 6,176	\$ 124,239	\$ 135,198	\$ 59,246	\$ 18,376	\$ 176,005	\$ 122,013

► Grantmakers In Health Statement of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 1999
(with comparative totals for 1998)

	PROGRAM SERVICES					SUPPORTING SERVICES		1999 Total	1998 Total
	Communications	Resource Center	Access Projects	Website	Subtotal	General And Administrative	Fundraising		
Accounting/auditing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 20,404	\$ —	\$ 20,404	\$ 13,644
Annual report	—	—	—	—	—	12,711	—	12,711	13,850
Audiovisual	—	—	—	—	12,615	—	—	12,615	11,217
Benefits	—	10,942	4,197	2,621	77,107	19,377	5,875	102,359	71,121
Consulting	2,500	38,500	—	5,558	145,804	1,927	33,836	181,567	286,088
Depreciation	—	1,398	536	335	9,852	2,475	751	13,078	17,592
Dues and subscriptions	—	—	—	—	—	7,602	—	7,602	8,697
Facility	—	—	—	—	127,184	—	—	127,184	100,052
Fundraising	—	—	—	—	—	—	14,993	14,993	2,703
Insurance	—	—	—	—	—	2,478	—	2,478	2,788
Meetings	—	—	—	—	—	18,868	—	18,868	16,190
Miscellaneous	—	19	38	34	12,287	437	1,841	14,565	22,229
Office expenditures	1,332	3,319	153	3,268	34,302	5,878	1,782	41,962	44,152
Planning	1,834	2,353	—	3,794	36,671	—	6,400	43,071	11,058
Postage	1,971	1,067	380	238	43,602	1,754	899	46,255	38,952
Printing	1,216	—	—	—	96,915	3,084	9,071	109,070	69,975
Recruiting	—	—	—	—	—	12,800	—	12,800	2,801
Rent	—	10,160	3,897	2,433	71,599	17,992	5,456	95,047	94,697
Salaries	—	72,079	27,645	17,261	507,924	127,639	38,703	674,266	567,049
Secretarial	—	—	—	—	—	2,943	—	2,943	2,310
Speakers	—	—	—	—	20,327	—	—	20,327	20,814
Telephone	—	1,116	428	268	7,867	1,977	599	10,443	10,308
Temporary help	—	—	—	—	1,203	—	—	1,203	1,061
Travel	—	—	—	—	27,693	27,335	—	55,028	56,248
Writing/editing	—	—	—	—	11,328	—	450	11,778	19,234
	\$ 8,853	\$ 140,953	\$ 37,274	\$ 35,810	\$ 1,244,280	\$ 287,681	\$ 120,656	\$ 1,652,617	\$ 1,504,830

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► About GIH

If you've ever called GIH, you've probably talked to **Mary Wiley** (top) or **Wanda Ellison** (bottom).

This administrative team keeps the organization on track.



Grantmakers In Health (GIH) is an educational organization serving trustees and staff of foundations and corporate giving programs working in the health field. Its mission is to help grantmakers improve the nation's health by:

- building the knowledge, skills, and effectiveness of individual grantmakers and the grantmaking community, and
- fostering communication and collaboration among grantmakers and with others.

Started informally in 1978, GIH has been operating as a 501(c)(3) since 1984. It is funded by over 170 foundations, known as Funding Partners. GIH is governed by a board of directors whose members are drawn from the grantmakers it serves. Its full-time staff is based in Washington, DC.

Grantmakers In Health does not give grants or provide assistance in finding grants.

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