



Helping grantmakers

improve the health of all people



Dear Colleague:

Each year, the board and staff of Grantmakers In Health (GIH) take time to reflect on our activities and accomplishments of the past year. In 2009 we continued to provide opportunities for funders to learn about critical health issues through written products, audioconferences, and meetings that covered a range of issues—from how foundations can respond to social trends over the long term and work with government, to partnering with schools to improve children's health, combating health disparities in an era of reform, and addressing health care for people involved in the justice system.

This annual report looks back on 2009 and briefly summarizes highlights of the year and key facts about GIH's operations and governance. Products mentioned are available at www.gih.org.

Our ability to support grantmakers in their work depends on the ongoing commitment of GIH Funding Partners and the participation of foundation staff and trustees from around the country. Working together, we have created useful and relevant resources for the field. We invite you to take a look at what we offered in 2009 and hope you will find our work beneficial to yours.

Sincerely,

A handwritten signature in blue ink that reads "Lauren LeRoy". The signature is fluid and cursive, with the first name "Lauren" and last name "LeRoy" clearly distinguishable.

Lauren LeRoy, Ph.D.
President and CEO

2009

ACTIVITIES AND PUBLICATIONS

MEETINGS AND EVENTS

Each year GIH brings foundation staff and trustees from across the nation together at our major national meetings and several smaller, more focused events. These meetings serve important educational objectives and give grantmakers the opportunity to connect with colleagues.

*Seeing the Future with 20/20 Vision***Annual Meeting on Health Philanthropy**

March 18-20, New Orleans, Louisiana

The 2009 Annual Meeting on Health Philanthropy explored social trends projected to shape our future such as population shifts, increasing economic inequalities, climate change, growing health care expenditures, and the uncertainties of our financial markets and the global economy. We focused on how foundations can help alter, respond to, and mitigate the effects of these trends by 2020 and beyond, especially for vulnerable populations. We also examined how health foundations could harness the positive power of these trends and work across sectors to effectively address new challenges. Several new features were included in this meeting. For the first time, breakout sessions were offered all three days of the meeting, while Issue Network meetings gave attendees the chance to gather with others who shared their interests. The meeting also boasted six site visit options for funders to explore different health, community, and environmental challenges facing New Orleans communities. Sessions organized by affinity groups in various disciplines were another new addition to the conference agenda. Keynote speakers included Sir Michael Marmot, World Health Organization, Commission on Social Determinants of Health, and Erik Peterson, Center for Strategic and International Studies.

*Climate Change: Can Health Funders Make a Difference?***Preconference Session to the Annual Meeting on Health Philanthropy**

March 18, New Orleans, Louisiana

The impact of global warming on human health can already be seen today. Severe heat waves, the spread of vector-borne diseases, decreased air quality, and increased extreme weather events all take a toll on human health, here and abroad. Whether they realize it or not, most health funders are now coping with the health consequences of climate-altering factors. This session reviewed the health effects of climate change and explored how health funders could play a role in improving air quality, reducing their carbon footprint, and addressing the health equity and disparity issues related to global warming.

*Ins and Outs of Working with Government***Preconference Session to the Annual Meeting on Health Philanthropy**

March 18, New Orleans, Louisiana

Partnerships between public agencies and the private sector, including philanthropy, have long been attractive because of the recognition that complex societal issues cannot be solved by either sector alone. Recent crises in our financial markets and the global economy, however, are changing the nature of the relationship between the government, and

grantmakers and nonprofit organizations. This preconference session opened with a discussion about how tough economic times alter the livelihood and structure of public/private partnerships. It then explored strategies that foundations could use to build successful partnerships with government agencies to achieve lasting improvements in the health and health care of vulnerable populations.

Reaching Kids: Partnering with Preschools and Schools to Improve Children's Health

A GIH Issue Dialogue

May 27, Washington, DC

This Issue Dialogue focused on approaches to “reaching children where they are” through school-based and school-linked services and explored how these efforts both contribute to children’s health and developmental improvements and serve as the foundation for broader educational system reform. The program examined how health funders are working to influence the broad range of public policies that affect school systems and children’s health and development outcomes; support schools as active partners in prevention and promotion efforts to improve the lives of children through efforts such as school-based health care services, and healthy eating and activity living initiatives; and improve communication, linkages, and formal partnerships among schools, families, and other community stakeholders.

The Art & Science of Health Grantmaking

June 10, Baltimore, Maryland

This program helped new staff and trustees learn the fundamentals of grantmaking, while advanced sessions explored strategies to address critical issues facing the field. Included in this meeting was the East Baltimore Revitalization Initiative site visit, which explored the groundbreaking effort to revitalize a neighborhood suffering from years of disinvestment, blight, and crime. Participants learned how foundations have coordinated grantmaking based on their own missions and funding priorities, and about the strengths and limitations of placed-based strategies.

Fall Forum: The Intersection of Health Policy and Philanthropy

November 5-6, Washington, DC

This annual program focuses on the intersection of health policy and health philanthropy and digs into issues in depth, while preserving opportunities for funders to learn from and network with other funders, federal agency representatives, and the broader health policy community. The program was structured to offer two daylong Issue Dialogues (described below), bridged by the plenary session “Taking Stock of Health Policy Developments Over the Last Year: Reflections and Prognostications.”

Where Do We Go from Here? Combating Health Care Disparities in an Era of Reform

A GIH Issue Dialogue

November 5, Washington, DC

This Issue Dialogue focused on how funders could support next steps in combating health care disparities in light of the likely action on health reform legislation. The meeting included dialogue with experts and interactive problem solving around building public will to reduce disparities; implementing short- and long-term health reform measures to ensure universal, equitable coverage; and understanding the unfinished health equity agenda in the wake of health reform. This was the second Issue Dialogue in GIH’s three-year series of programs on eliminating disparities in health and health care.

Health and Justice: Health Care for People Involved in the Justice System

A GIH Issue Dialogue

November 6, Washington, DC

At this Issue Dialogue, grantmakers, researchers, and practitioners discussed front-end diversion, correctional health care, and community re-entry strategies. Attendees identified promising solutions, opportunities to innovate, and gaps in knowledge or practice that would benefit from philanthropic investment. The meeting also provided funders the opportunity to candidly exchange information, learn from one another’s experiences, and plot out the next generation of work in this area.

OTHER MEETINGS

National Meeting on Community Engagement and Effective Health Grantmaking **Community Advisory Committee Meeting**

May 18-19, Portland, Maine

Cosponsored with the Maine Health Access Foundation, this meeting included discussions on the strategies foundations use to incorporate community voices into their work. Katherine Villers, president of Community Catalyst, discussed her organization's work advocating for community representation during the conversion process and what has happened as a result of these efforts. In addition, GIH shared results from the *2009 Survey of Foundations Created from Health Care Conversions*, which sought information on the strategies foundations use to engage community representatives and the impact such efforts have had on their work. The meeting also focused on how community efforts have influenced foundation work, including success stories and lessons learned. Keynote speaker Alan Weil, executive director of the National Academy for State Health Policy, discussed opportunities for state and local foundations to influence health within the evolving context of national health reform.

Exploring the Value of Integrative Medicine...A Funder's Perspective **Invitational Strategy Session**

September 21, Philadelphia, Pennsylvania

Cosponsored by the Fannie E. Rippel Foundation and the Samueli Foundation, the purpose of this meeting was to give funders who are active in the area of integrative medicine an opportunity to share experiences, as well as to interest new funders in this rapidly growing field. The meeting included presentations by leading practitioners and a site visit to the Myrna Brind Center of Integrative Medicine.

Changing the Conversation: Taking a Social Determinants of Health Approach to Addressing HIV/AIDS Among Women of Color

Invitational Strategy Session

October 1, Washington, DC

The purpose of the strategy session was to understand HIV/AIDS prevention among women of color through a social determinants lens and to explore the possibilities that this approach opens up. Because of the crisis in the District of Columbia, African-American women were the focus of much of the discussion, but issues facing Latinas were addressed as well. The goal of the meeting was to stimulate thinking among providers, advocates, and funders about developing new program and funding ideas for a holistic range of initiatives, both short-term and long-term, that incorporate socioeconomic factors and have the potential to shape personal behavior.

AUDIOCONFERENCES

Audioconferences give health foundation staff the opportunity to come together frequently throughout the year to address timely health topics and funding strategies. Officially launched in 2003, audioconferences have become a major instrument for bringing pertinent information to grantmakers on an ongoing basis. Scheduled calls allow health funders to brainstorm and learn about issues of mutual interest. Calls are open to GIH Funding Partners and generally include presentations by experts and leaders in health philanthropy, followed by in-depth discussion among the 10 to 60 participants. Summaries of the discussions are posted on the GIH Web site. Audioconferences held during 2009 include:

ACCESS

Philanthropy's Role in Health Care Reform, January 22

On this audioconference, funders heard the highlights of a new report that traces the complex history of health care reform efforts in Massachusetts, focusing on the significant roles that philanthropy played as the political landscape

evolved and new strategies and alliances emerged. Participants included the report's authors, grantmakers involved in the early days of reform in Massachusetts, and grantmakers involved in current reform efforts in California, all of whom reflected on lessons for foundations across the country about affecting health care reform at the state and national levels.

CHIP Reauthorization: Details and Implications, February 13

On this audioconference, grantmakers heard from Cindy Mann of the Health Policy Institute at Georgetown University who reviewed the details of the Children's Health Insurance Program reauthorization legislation and discussed the implications for states and funders.

Implementing Health Care Reform: What Help Would States Need?, August 26

On this audioconference, grantmakers heard from the National Academy for State Health Policy and the National Governors Association about the capacity and expertise states would need to prepare for successful implementation of national health care reform. Participants also heard from funders in Maine and Massachusetts about how their funding strategies changed after reform legislation was enacted in their states.

CHILDREN AND YOUTH

Strengthening Local Leadership to Improve Health for Families, Children, and Communities, January 30

Speakers on this audioconference described the philosophy underlying the Leadership in Action Program, and how it was being applied in Baltimore to improve birth outcomes and reduce birth disparities by strengthening the capacity of local public and private leaders through collaborative leadership and the use of data to make better decisions.

Implications of the Institute of Medicine Report Adolescent Health Services: Missing Opportunities, June 19

This Webinar briefing summarized the findings and recommendations in the *Adolescent Health Services: Missing Opportunities* report, which explores adolescent health services in the United States. It presented the health concerns unique to the period of adolescence; a framework for assessing the quality of health services for adolescents; current adolescent health services and financing strategies and the extent to which available health services provide quality health support; and recommendations on ways in which the system of health services for adolescents can and should be improved.

Improving Outcomes for Youth Involved in the Juvenile Justice System, November 12

This call explored continuing issues in the field, as well as innovative approaches funders are taking to reduce recidivism and improve outcomes for youth through systems change at the national, state, and local levels.

Improving Children's Access to Mental Health Services in Schools, December 17

This call informed colleagues on key issues related to mental health in school systems, as well as innovative approaches funders are taking to ensure the integration of mental health services into school settings.

DISPARITIES

Social Determinants of Health and Equity: The Impacts of Racism on Health Disparities, April 15

On this audioconference, Dr. Camara Jones of the National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention identified racism as one of the social determinants of equity and a fundamental cause of racial/ethnic health disparities in the United States. She presented the "Cliff Analogy" for understanding four levels of health intervention: medical care, secondary prevention, primary prevention, and addressing the social determinants of health. Dr. Jones also described how health disparities arise on three levels (differences in quality of care, differences in access to care, and differences in underlying exposures and opportunities) and expanded the "Cliff Analogy" to illustrate the relationship between addressing the social determinants of health and addressing the social determinants of equity.

It's Not Just Black and White: Health Issues Facing Latinos in America, July 14

On this call, Jennifer Ng'andu and Kara Ryan of the National Council of La Raza discussed *Profiles of Latino Health*, a resource addressing prominent health issues affecting the Latino community. Additionally, Ryan Barker from the Missouri Foundation for Health (MFH) discussed an MFH-funded project to assemble data on health disparities among the state's Hispanic population. *Minority Health Disparities in Missouri: 2009 Hispanic Data Book* was released in 2009 as an update to a 2005 baseline study.

It's Not Just Black and White, Part 2: Health Issues Facing Asian Americans, August 31

On this call, Nadia Islam of the Center for the Study of Asian American Health discussed the center's recently published study *Asian American Communities and Health: Context, Research, Policy, and Action*. The textbook examines the social, political, economic, and cultural forces that influence Asian-American health outcomes in the United States. Additionally, Fatima Angeles of The California Wellness Foundation discussed the foundation's longstanding work to strengthen efforts that promote the health and well-being of Asian-American communities.

It's Not Just Black and White, Part 3: The Health of American Indians and Alaska Natives – Opportunities and Challenges, November 17

During this call, Cara James discussed The Henry J. Kaiser Family Foundation's recently released publication *A Profile of American Indians and Alaska Natives and Their Health Coverage*, which examines the health coverage, access to care and health status of American Indians and Alaska Natives in the United States. Kim Crichton discussed the Maine Health Access Foundation's efforts to strengthen Maine's safety net and improve health care access for American Indian populations. Included in this discussion was a highlight of their most recent support of tribal health departments in the state, and the proposed strategies employed to improve the capacity and sustainability of these health providers.

HEALTH PROMOTION***Pediatric Obesity Prevention: Trends, Strategies, and Challenges, February 20***

On this audioconference, Dr. David Kaelber of Case Western Reserve University discussed recent trends in pediatric obesity diagnosis and offered his perspective on the challenges and disincentives physicians face in their efforts to combat childhood obesity. Additionally, Jim Alexander of The Otho S. A. Sprague Memorial Institute and Scott Allen of the Illinois Chapter of the American Academy of Pediatrics highlighted a number of pediatric-focused obesity prevention initiatives currently underway in Chicago as part of the Consortium to Lower Obesity in Chicago Children.

Obesity and Adults: Challenges and Opportunities, September 15

On this call, Jeffrey Levi of the Trust for America's Health focused on the adult population as he discussed the recent report *F as in Fat: How Obesity Policies are Failing in America*. Dr. Levi also touched on the link between parents and child obesity and the immense challenge of changing adult behavior. Khanh Nguyen of The Colorado Health Foundation highlighted the adult-based work they have funded, including LiveWell Colorado, a statewide entity aimed at reducing overweight and obesity rates and related chronic diseases. Andrew Smiley of the Sustainable Food Center shared information on Farm to Work, a growing employee wellness program that delivers locally grown produce to employees at partner worksites.

MENTAL HEALTH***Grading the States 2009: Measuring America's Health Care System for Adults with Serious Mental Illness, April 29***

This audioconference discussed *Grading the States 2009*, a national assessment of the U.S. mental health care system released by the National Alliance on Mental Illness (NAMI). In addition to summarizing their results, NAMI outlined future policy recommendations, discussed the challenges and limitations of state-level measurement and assessment, and framed the report's findings in the context of the current economic crisis.

Behavioral Health and Health Care Reform, June 23

This audioconference featured representatives from the Mental Health Liaison Group and the Campaign for Mental Health Reform, and focused on efforts to engage policymakers and push for legislation that embraces and integrates behavioral health services in the broader context of health reform.

Integrated Care: Why and How, September 22

On this call, Dr. Jürgen Unützer, professor of psychiatry at the University of Washington, provided an overview of the rationale for integrated care, the evidence base around integration practices, and the main barriers to integration (clinical, financial, policy). Mary Jo Dike of the Foundation for a Healthy Kentucky and Mary Rainwater of The California Endowment's Integrated Behavioral Health Project discussed their range of work surrounding integrated care.

PUBLIC HEALTH***Improving Health through Greener Hospital Environments, May 13***

This audioconference explored efforts to create more environmentally responsible and ecologically sustainable health care facilities. Participants learned how the growing movement to “green” hospitals and other facilities can directly affect workers’ safety and quality of patient care, as well as address broader community health concerns.

H1N1: Keeping Our Communities Healthy, October 15

This call was an opportunity for grantmakers to speak with leadership from the Centers for Disease Control and Prevention on the latest efforts to prepare for and respond to the ongoing H1N1 outbreak, including vaccine development, and guidance for schools, health care professionals, employers, and others. Participants also explored how foundations can support activities at the state and local level so that communities are able to protect the public’s health.

Impact of H1N1 on Communities: Challenges and Opportunities, December 17

During this audioconference, Richard Hamburg shared findings from *H1N1 Challenges Ahead*, a new report from Trust for America’s Health that explores the underlying problems complicating flu response efforts. He also discussed recommendations for addressing immediate and longer-term concerns to help strengthen the public health system. Additionally, Robert Pestronk reflected on the Trust for America’s Health’s recommendations from his perspective as executive director at the National Association of County and City Health Officials. Mr. Pestronk’s remarks also focused on the specific needs of local health departments and lessons learned from the field as they combat H1N1 and seasonal flu.

PUBLIC POLICY***Health Impact Assessments: A Promising Tool for Public Policy Decisionmaking, February 25***

This audioconference considered how health impact assessments can be used to infuse health-related concerns into public policy debates and explored opportunities for health funders to advance the development and application of this emerging tool. Rajiv Bhatia of the San Francisco Department of Public Health, Aaron Wernham of the Alaska Native Tribal Health Consortium, George Flores of The California Endowment, and Pamela Russo of the Robert Wood Johnson Foundation were the featured speakers.

Sponsoring Educational Opportunities for State Legislators and their Staff, May 4

This audioconference explored the educational needs of state legislators and their staff and examined various ways health funders have sought to address these needs. Martha King of the National Conference of State Legislatures, Mary Vallier-Kaplan of the Endowment for Health, and Anne Travis of The Bower Foundation were the featured speakers.

Evaluating Advocacy Efforts, June 15

This audioconference considered the kinds of advocacy evaluation approaches currently in use and discussed the

experiences of health funders in designing, implementing, and supporting the ongoing development of advocacy evaluation. Julia Coffman of the Harvard Family Research Project, Gigi Barsoum and Astrid Hendricks of The California Endowment, and Tanya Beer of The Colorado Trust were the featured speakers.

Understanding the Legal Limits of Policy and Advocacy, August 25

GIH hosted this audioconference with Abby Levine of the Alliance for Justice to help grantmakers understand the legal limits of policy and advocacy. While current law provides foundations a great deal of latitude to engage in and influence the public policy process, legal concerns are often cited as an important barrier to policy and advocacy work. This call clarified the nature and extent of legal restrictions – and funding opportunities – for different types of philanthropic organizations and described more in-depth training available to foundations' legal staff and outside counsel.

Helping Grantee Organizations Engage in Public Policy, September 10

Health care, social service, and public health providers can be the most effective and persuasive advocates for vulnerable and underserved populations. Yet such grantees are often unfamiliar with the public policy process and may lack the training and resources commonly found among more traditional advocacy groups. This audioconference, with Michelle Miller of the Missouri Foundation for Health and Lara Pennington of the Queen of Peace Center, explored innovative approaches to helping nontraditional advocates have a voice in public policy decisionmaking.

Discussion of GIH Public Policy Strategies Survey Results and Next Steps, October 28 and November 2

Two audioconferences were held for members of the informal Public Policy Strategies Advisory Group to discuss results of a GIH survey asking about current activities, organizational restrictions, and information needs related to public policy.

Consumer Engagement in Reform Implementation: A Roadmap for Funders and Advocates, December 14

State-based consumer advocates play an increasingly critical role in making the health care system work well for consumers – especially for vulnerable populations. This role will become more important following passage of national health reform. On this call, Susan Sherry of Community Catalyst presented the framework they developed for a report about the value and impact of consumer engagement in reform implementation, lessons learned from prior implementations, and a roadmap for advocates on the work ahead. Two state consumer advocates, Dan McGrath of Take Action Minnesota and Laura Goodhue of Florida CHAIN, shared their reflections and prognostications. Terri Lanston of the Public Welfare Foundation also served as a speaker.

QUALITY

Federal Stimulus Funds for HIT in Health Centers: Opportunities and Challenges for Funders, July 16

With a focus on federally qualified health centers, this audioconference provided an overview of how funds from the American Recovery and Reinvestment Act of 2009 will flow through various agencies within the U.S. Department of Health and Human Services, including the Health Resources and Services Administration, the Bureau of Primary Health Care, and the Centers for Medicare and Medicaid Services. It also explored the key statutory concepts of “meaningful use” and “qualified or certified electronic health records,” which are linked to Medicare and Medicaid incentives to stimulate provider investments in health information technology. Finally, call participants discussed specific strategies foundations can use to support health centers as they navigate this new environment.

SOCIAL DETERMINANTS OF HEALTH

Reducing Health Disparities by Addressing the Social Determinants of Health, January 27

On this audioconference, David Williams, a leading expert on socioeconomic and racial variations in health, highlighted research evidence documenting that tracking the social determinants of health can lead to improvements in health and reductions in social disparities in disease. Dr. Williams emphasized evidence from studies that have used rigorous evaluation methodologies and focused both on interventions within the health care system and on interventions in upstream factors such as housing, neighborhood conditions, and improved socioeconomic status.

Recommendations of the RWJF Commission to Build a Healthier America, April 7

On this audioconference, Wilhelmine Miller and Robin Mockenhaupt discussed recommendations from the Robert Wood Johnson Foundation's Commission to Build a Healthier America that informed the public on changes the country can make outside of health care to improve the health of all Americans. Participants learned about successful programs from across the country and explored next steps for philanthropy.

State-Level Data on Health Status by Income, Education, and Race/Ethnicity, June 18

On this audioconference, participants heard from Paula Braveman of the Center on Social Disparities in Health at the University of California, San Francisco about evidence that can help 1) assess how far states are from reaching the full health potential of children and adults, 2) raise awareness about the need to address social factors in order to close the current gaps in health, and 3) stimulate discussion and debate within states and nationally about promising directions for closing those gaps.

Using Maps to Promote Health Equity, October 22

On this Webinar, grantmakers heard from Brian Smedley of the Joint Center for Political and Economic Studies and Micky Hingorani of The Opportunity Agenda on using maps to promote health equity. Participants also viewed a demonstration of Map4Change, an innovative, interactive Web-based mapping tool that allows users to see which neighborhoods tend to have healthy residents, which do not, and why.

Taking a Social Determinants of Health Approach to HIV/AIDS Among Women of Color, December 2

This audioconference discussed the special challenges HIV/AIDS poses for women, and how community-based programs are tackling those challenges while addressing the social determinants of health. Dázon Dixon Diallo, founder and president of SisterLove in Atlanta, and Yolanda Rodriguez-Escobar, founder of Mujeres Unidas Contra el SIDA in San Antonio, both explained their use of innovative service models for HIV prevention and support of HIV-positive women that take into account the complex social, economic, and cultural factors around this disease.

Dangerous by Design: Solving the Epidemic of Preventable Pedestrian Deaths, December 16

People of all ages and all walks of life have been struck down in the simple act of walking. These deaths typically are labeled "accidents" and attributed to error on the part of motorist or pedestrian. In fact, an overwhelming proportion of these deaths share a similar factor: they occurred along roadways that were dangerous by design, streets that were engineered for speeding cars and made little or no provision for people on foot, in wheelchairs, or on a bicycle. This call briefed funders on a new report that explores this trend through the lens of public health, social equity, and pedestrian safety. Speakers included Michelle Ernst of Transportation Campaign, David Goldberg of Transportation for America (moderator), Shireen Malekafzali of PolicyLink, Susan L. Polan of Public Affairs and Advocacy, and Brian Raymond of the Kaiser Permanente Institute for Health Policy.

FOUNDATION OPERATIONS AND GOVERNANCE***Diversity in Philanthropy, April 30***

This GIH audioconference explored the Diversity in Philanthropy Project, a voluntary effort of leading foundation trustees, executives, and senior staff committed to developing a new, field-wide agenda for diversity through open dialogue and strategic action. Speakers on this audioconference included Gary Nelson of Healthcare Georgia Foundation; Henry Ramos of Mauer Kunst Consulting; and Julie Tugend, formerly with The California Endowment

PUBLICATIONS

GIH publications are intended to keep health grantmakers up to date on current issues and the state of the field, including both quick reads and in-depth reports. These are distributed to GIH Funding Partners and thought leaders in health policy and practice, and made available to others on the GIH Web site.

GIH BULLETIN

Each year, GIH publishes 12 issues of the *GIH Bulletin*, distributing them to GIH Funding Partners and others with an interest in health philanthropy, such as leaders in health policy, research, and service delivery. Each issue gives readers up-to-date information on new grants, publications and studies, and people in the field of health philanthropy. In addition, each issue contains one or more of the following articles:

► Views from the Field

These commentaries provide a forum for health grantmakers to share their perspectives and relate their experiences from working on a variety of health issues. Some report on successful models, while others raise strategic questions or offer new ways of thinking about complex issues:

- “Ensuring the Health of America’s Children: Progress and Opportunities” by Liane Wong, Program Officer, The David and Lucile Packard Foundation, February 9
- “The Value of Interdisciplinary Research Networks” by Robert Rose, Robert M. Rose Consulting, and Denis Prager, Strategic Consulting Service, February 23
- “Collaborating Where Health Happens” by Jane Isaacs Lowe, Team Director and Senior Program Officer, Vulnerable Populations Portfolio, Robert Wood Johnson Foundation, March 9
- “Doing a Lot with a Little: Brandywine Health Foundation and the Brandywine Center” by Frances Sheehan, President and CEO, Brandywine Health Foundation, March 30 (special insert to the *GIH Bulletin*)
- “A National Foundation Undertakes a Regional Strategy in the South” by Terri Langston, Senior Program Officer, and Ria Pugged, Program Officer, Public Welfare Foundation, April 27
- “Collaboration Among Local Public Health Departments Preparing for Accreditation” by Carolyn Williams, Program Officer, Kansas Health Foundation, and Bruce Miyahara, Miyahara and Associates, May 25
- “Expanding the Circle of Allies” by Risa Lavizzo-Mourey, President and CEO, Robert Wood Johnson Foundation, June 15
- “Initiatives in Education, Economic Development Present Challenges, Yield Big Rewards” by Joseph Rosier, Jr., President and CEO, The Rapides Foundation, June 22
- “Making Money in the Nonprofit Sector: Social Enterprises to Support Missions” by Janice Bogner, Senior Program Officer, The Health Foundation of Greater Cincinnati, and Suzanne Steffens, Senior Consultant, Community Wealth Ventures, Inc., July 13
- “Doing a Lot with a Little: The Gulf Coast Fund” by Marni Rosen, Executive Director, The Jenifer Altman Foundation, August 17 (special insert to the *GIH Bulletin*)
- “We Must Promote Health Equity in Spite of Current Economic Challenges” by Rene Cabral Daniels, Vice President Grant Programs, Williamsburg Community Health Foundation, and Karen Reed, Director, Division of Health Equity, Office of Minority Health and Public Health Policy, Virginia Department of Health, September 14
- “Honoring Community Voices to Enhance Health Grantmaking” by Wendy J. Wolf, President and CEO, Maine Health Access Foundation, October 12
- “Shifting Paradigms in Promoting Oral Health for Young Children” by Burton Edelstein, Professor of Dentistry and Health Policy and Management, Columbia University, and Founding Chair, Children’s Dental Health Project; and Jessie Buerlein, Project Director, Improving Perinatal and Infant Oral Health, Children’s Dental Health Project, October 26
- “HIV/AIDS and Women of Color: Changing the Conversation” by Jacquelyn Brown, Program Officer; Diane Lewis, Trustee; and Margaret O’Bryon, President and CEO, Consumer Health Foundation, December 14
- “Health Reform: Time for a Paradigm Shift” by Brenda L. Henry, Program Officer, and Pamela G. Russo, Senior Program Officer, Robert Wood Johnson Foundation, December 14

► Issue Focus

These pieces give readers concise overviews of current health issues of special importance to funders. They focus on strategies and opportunities available to grantmakers to help address pressing health needs. Issues addressed this past year were:

- “Establishing Public-Private Partnerships for Maternal and Child Health,” January 26
- “CHIP Reauthorization Details and Implications,” March 30
- “Behavioral Health & Public Policy: Meeting the Challenges Ahead,” April 13
- “School-Based Health Centers: Enabling Health Care Access for Children and Youth ‘Where They Are,’” April 27
- “The Cost of Chronic Disease,” July 27
- “It’s Not Just Black and White: Health Disparities in Other Racial and Ethnic Groups,” August 24
- “Not Your Usual Flu: Preparing Communities for H1N1 and the Fall Flu Season,” September 14
- “The Importance (and Challenge) of Reaching Obese Adults,” October 26
- “Filling a Gap in Care: The Need for Behavioral Health Integration,” November 16

► Grantmaker Focus

Throughout the year, GIH helps grantmakers showcase their work through snapshots of their organizations. The following organizations were featured in 2009:

- Staunton Farm Foundation, January 12
- Lower Pearl River Valley Foundation, February 23
- The SCAN Foundation, May 15
- New York State Health Foundation, August 17
- Samueli Foundation, September 15
- CIGNA Foundation, December 14

ISSUE BRIEFS

Weaving together background research with practical insights, Issue Briefs examine health issues of interest to grantmakers and share advice from experts and colleagues on how to address them. Each Issue Brief is based on a GIH Issue Dialogue and combines the essence of the meeting’s presentations and discussion with GIH’s research and analysis on the topic.

Effective Community Programs to Fight Health Disparities

Issue Brief No. 33

March 2009

Eliminating disparities in health status and health care has been an area of substantial interest and programming among health funders at the national, state, and local levels for well over a decade. The latest findings from research and ongoing experience on the ground allow us to assess the progress being made. Engaging with communities in their fight against disparities is also becoming increasingly important to funders.

Rural Health Care: Innovations in Policy and Practice

Issue Brief No. 34

March 2009

All too often, discussions of rural health policy concentrate almost exclusively on the challenges in rural areas. But

while it is true that rural America has not been immune to the effects of major economic and societal trends, rural areas' responses to these challenges demonstrate that they are often ideal incubators for innovative policies and practices.

Reaching Kids: Partnering with Preschools and Schools to Improve Children's Health

Issue Brief No. 35

November 2009

Improving children's health and development has been of substantial interest to and investment in by national, state, and local funders for many years. Directly engaging with preschools and schools to improve these outcomes in children is increasingly a way to support a wide variety of efforts and interventions that reach a majority of children in an efficient and effective manner.

PUBLICATIONS FROM GIH MEETINGS

For each meeting GIH holds, we strive to create lasting resources that provide valuable information and analysis, and address important issues. All of the materials GIH produces for its meetings are also made accessible to the public via www.gih.org.

"GIH Products, 2008," March 2009

Seeing the Future with 20/20 Vision, Annual Meeting Portfolio, March 2009

"A Tribute to Terrance Keenan 1924 - 2009," March 2009

A Profile of Foundations Created from Health Care Conversions, June 2009

"Changing the Conversation: Taking a Social Determinants of Health Approach to Addressing HIV/AIDS Among Women of Color," October 2009

2009

FUNDING PARTNERS

GIH relies on the support of Funding Partners – foundations and corporate giving programs that annually contribute to core and program support – to develop programs and activities that serve health philanthropy. Their support, supplemented by fees for meetings, publications, and special projects, is vital to our work in addressing the needs of grantmakers who turn to us for educational programming, information, and technical assistance throughout the year.

Aetna Foundation, Inc.

Allegany Franciscan Ministries, Inc.

Altman Foundation

The Jenifer Altman Foundation

Archstone Foundation

The Assisi Foundation of Memphis, Inc.

The Atlantic Philanthropies, Inc.

Augusta Health Foundation

Austin-Bailey Health and Wellness Foundation

Baptist Community Ministries

Battle Creek Community Foundation

The Baxter International Foundation

S. D. Bechtel, Jr. Foundation and the Stephen Bechtel Fund

Claude Worthington Benedum Foundation

BHHS Legacy Foundation

Birmingham Foundation

Mary Black Foundation

The Jacob and Hilda Blaustein Foundation

The Blowitz-Ridgeway Foundation

Blue Cross and Blue Shield of Minnesota Foundation

Blue Cross Blue Shield of Louisiana Foundation

Blue Cross Blue Shield of Massachusetts Foundation

Blue Cross Blue Shield of Michigan Foundation

Blue Cross Blue Shield of North Carolina Foundation

Blue Shield of California Foundation

The Boston Foundation

The Bower Foundation

Brandywine Health Foundation

The California Endowment

California HealthCare Foundation

The California Wellness Foundation

Cape Fear Memorial Foundation

Cardinal Health Foundation

CareFirst BlueCross BlueShield

Caring for Colorado Foundation

The Annie E. Casey Foundation

CDC Foundation

The Centene Foundation for Quality Healthcare

Centra Health Foundation

Central Susquehanna Community Foundation

The Chicago Community Trust

Children's Fund of Connecticut

CIGNA Foundation

The Cleveland Foundation

The Colorado Health Foundation

The Colorado Trust

Columbus Medical Association Foundation

The Commonwealth Fund
Community Foundation for Southeast Michigan
Community Foundation of Northeast Alabama
Community Health Foundation of Western and Central New York
Community Memorial Foundation
Comprehensive Health Education Foundation
Con Alma Health Foundation, Inc.
Moses Cone-Wesley Long Community Health Foundation
Connecticut Health Foundation
Consumer Health Foundation
Jessie B. Cox Charitable Trust
The Nathan Cummings Foundation
Daughters of Charity Foundation of St. Louis
de Beaumont Foundation
Deaconess Foundation
Ira W. DeCamp Foundation
Delta Dental of Colorado Foundation
DentaQuest Foundation
Desert Healthcare District
The Duke Endowment
The Ellison Medical Foundation
Endowment for Health
EyeSight Foundation of Alabama
Richard M. Fairbanks Foundation, Inc.
Fetzer Institute
First Hospital Foundation
Foundation for a Healthy Kentucky
Foundation for Community Health
The Helene Fuld Health Trust
The George Family Foundation
Greater Rochester Health Foundation
Green Tree Community Health Foundation
The Greenwall Foundation
The George Gund Foundation
The Irving Harris Foundation
The John A. Hartford Foundation, Inc.
Harvard Pilgrim Health Care Foundation
The Harvest Foundation
Health Care Foundation of Greater Kansas City
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 of New Jersey
Healthcare Georgia Foundation, Inc.
Healthcare Initiative Foundation
The HealthPath Foundation of Ohio
Heinz Family Philanthropies
The Leona M. and Harry B. Helmsley Charitable Trust
Highmark Foundation
Conrad N. Hilton Foundation
HNHfoundation
Hogg Foundation for Mental Health
The Horizon Foundation
Houston Endowment Inc.
Illinois Children's Healthcare Foundation
Incarnate Word Foundation
Irvine Health Foundation
The Jenkins Foundation
Jewish Healthcare Foundation
Johnson & Johnson
Robert Wood Johnson Foundation
K21 Health Foundation
The Henry J. Kaiser Family Foundation
Kaiser Permanente
Kansas Health Foundation
W.K. Kellogg Foundation
The Kresge Foundation
Lancaster Osteopathic Health Foundation
The Jacob & Valeria Langeloth Foundation
Lower Pearl River Valley Foundation
Josiah Macy, Jr. Foundation
Maine Health Access Foundation
Marisla Foundation

| | |
|---|---|
| Markle Foundation | Public Welfare Foundation |
| Mat-Su Health Foundation | Quantum Foundation |
| Ronald McDonald House Charities | John Randolph Foundation |
| McKesson Foundation | The Rapides Foundation |
| The Merck Company Foundation | RCHN Community Health Foundation |
| Methodist Healthcare Ministries of South Texas, Inc. | The REACH Healthcare Foundation |
| MetLife Foundation | Michael Reese Health Trust |
| MetroWest Community Health Care Foundation | Regence BlueCross BlueShield of Oregon |
| The Metta Fund | The Retirement Research Foundation |
| Eugene and Agnes E. Meyer Foundation | John Rex Endowment |
| Mid-Iowa Health Foundation | The Kate B. Reynolds Charitable Trust |
| Milbank Memorial Fund | The Rhode Island Foundation |
| Missouri Foundation for Health | Richmond Memorial Health Foundation |
| Ruth Mott Foundation | Fannie E. Rippel Foundation |
| The Mt. Sinai Health Care Foundation | Riverside Community Health Foundation |
| Mountainside Health Foundation | The Roche Foundation |
| John Muir/Mt. Diablo Community Health Fund Nemours | Rockwell Fund, Inc. |
| New Hampshire Charitable Foundation | Rose Community Foundation |
| The New York Community Trust | St. David's Community Health Foundation |
| New York State Health Foundation | St. Joseph Community Health Foundation |
| North Penn Community Health Foundation | St. Luke's Episcopal Health Charities |
| Northern Virginia Health Foundation | Saint Luke's Foundation of Cleveland, Ohio |
| Northwest Health Foundation | St. Luke's Health Initiatives |
| Obici Healthcare Foundation | Samueli Foundation |
| Oklahoma Tobacco Settlement Endowment Trust | The San Francisco Foundation |
| Osteopathic Heritage Foundations | The SCAN Foundation |
| The David and Lucile Packard Foundation | Sierra Health Foundation |
| Lucile Packard Foundation for Children's Health | Sisters of Charity Foundation of Canton |
| Palm Healthcare Foundation, Inc. | Sisters of Charity Foundation of Cleveland |
| Partners HealthCare | Sisters of Charity Foundation of South Carolina |
| Paso del Norte Health Foundation | Sisters of St. Joseph Charitable Fund |
| The Pew Charitable Trusts | Richard and Susan Smith Family Foundation |
| Pfizer Inc. and Pfizer Foundation | The Barbara Smith Fund |
| Phoenixville Community Health Foundation | The Otho S.A. Sprague Memorial Institute |
| The Dorothy Rider Pool Health Care Trust | Staunton Farm Foundation |
| Portsmouth General Hospital Foundation | Sunflower Foundation: Health Care for Kansans |
| Pottstown Area Health & Wellness Foundation | Tides Foundation |
| | Tufts Health Plan Foundation |

UniHealth Foundation
United Health Foundation
United Hospital Fund
United Methodist Health Ministry Fund
Universal Health Care Foundation of Connecticut, Inc.
VHA Foundation Inc.
Virginia Health Care Foundation
VNA Foundation
Washington Dental Service Foundation
Washington Square Health Foundation, Inc.
Welborn Baptist Foundation, Inc.
WellPoint Foundation
Wellspring Advisors, LLC
Jesse Parker Williams Foundation, Inc.
Williamsburg Community Health Foundation
Winter Park Health Foundation
Wyandotte Health Foundation

2009

BOARD OF DIRECTORS

CHAIR

JAMES R. KIMMEY, M.D., M.P.H.
Missouri Foundation for Health

VICE CHAIR

KIM MOORE, J.D.
United Methodist Health Ministry Fund

SECRETARY

ANN MONROE
*Community Health Foundation of Western
and Central New York*

TREASURER

PHILIP BELCHER, M.Div., J.D.
Mary Black Foundation

MEMBER-AT-LARGE

ROBERT ROSS, M.D.
The California Endowment

PRESIDENT

LAUREN LEROY, PH.D.
Grantmakers In Health

FATIMA ANGELES, M.P.H.
The California Wellness Foundation

RAYMOND J. BAXTER, PH.D.
Kaiser Permanente

DEBBIE I. CHANG, M.P.H.
Nemours

BRUCE CHERNOF, M.D.
The SCAN Foundation

GAIL CHRISTOPHER, D.N.
W.K. Kellogg Foundation

THOMAS G. DAVID
Tides Foundation

DAVID GOULD
United Hospital Fund

ROBERT HUGHES, PH.D.
Robert Wood Johnson Foundation

SAM KARP
California HealthCare Foundation

LEN McNALLY
The New York Community Trust

DIANE ROWLAND, SC.D.
The Henry J. Kaiser Family Foundation

BETTY WILSON
The Health Foundation of Greater Indianapolis, Inc.

SUSAN G. ZEPEDA, PH.D.
Foundation for a Healthy Kentucky

GIH STAFF

LAUREN LEROY, PH.D.
President and CEO

FAITH MITCHELL, PH.D.
*Vice President for Program and
Strategy*

MARY BACKLEY
*Vice President for Finance and
Administration*

OSULA RUSHING, M.S.
Program Director

EILEEN SALINSKY, M.B.A.
Program Consultant

ALICIA THOMAS, M.H.S.
Senior Program Associate

KATHERINE TREANOR, M.S.W.
Senior Program Associate

EMILY ART, M.P.H.
Program Associate

LEILA POLINTAN, M.A.
Communications Manager

ANNETTE HENNESSEY
Executive Assistant to the President

SUMINTRA JONAS
Executive Assistant to the Vice President

MELISSA BLAND
Accounting and Grants Management

GARTRELL WRIGHT
Office Technology Specialist

KIERA EDWARDS
Administrative Assistant

SANDY PEREZ
Administrative Assistant

2009

INDEPENDENT AUDITORS' REPORT

CONTENTS

| | |
|---|-------------|
| Auditors' Opinion | I |
| FINANCIAL STATEMENTS: | |
| Statements of Financial Position | 2 |
| Statements of Activities | 3 |
| Statements of Cash Flows | 4 |
| Notes to Financial Statements | 5-12 |

SARFINO AND RHOADES, LLP

J Gregory Sarfino CPA
David R Himes CPA
Michael J Devlin CPA
Brian W Dow CPA

11921 Rockville Pike, Suite 501
North Bethesda, Maryland
20852-2794

Certified Public Accountants
and Business Advisors

301.770.5500 Voice
301.881.7747 Fax
cpas@sarfinoandrhoades.com
www.sarfinoandrhoades.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Grantmakers In Health
Washington, D.C.

We have audited the accompanying statements of financial position of Grantmakers In Health as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years 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 audits.

We have conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 audits provide 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, 2009 and 2008, and the results of its activities and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.



February 22, 2010

GRANTMAKERS IN HEALTH
STATEMENTS OF FINANCIAL POSITION

| | DECEMBER 31, | |
|---|---------------------|---------------------|
| | 2009 | 2008 |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents (Notes 1 and 9) | \$ 954,516 | \$ 407,577 |
| Pledges receivable, current portion (Note 2) | 285,182 | 765,406 |
| Prepaid expenses and other | 16,641 | 9,500 |
| TOTAL CURRENT ASSETS | \$ 1,256,339 | \$ 1,182,483 |
| OTHER ASSETS: | | |
| Investments (Notes 1, 3 and 4) | \$ 1,895,505 | \$ 1,538,492 |
| Deposit | 15,155 | 15,155 |
| Pledges receivable, non current portion (Note 2) | 500,327 | 56,460 |
| TOTAL OTHER ASSETS | \$ 2,410,987 | \$ 1,610,107 |
| PROPERTY AND EQUIPMENT (Notes 1 and 5) | \$ 57,866 | \$ 66,197 |
| TOTAL ASSETS | \$ 3,725,192 | \$ 2,858,787 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 55,512 | \$ 50,326 |
| Capital lease obligation-current portion (Note 6) | 2,204 | - |
| Deferred revenue - annual meeting (Note 1) | 79,585 | 29,395 |
| TOTAL CURRENT LIABILITIES | \$ 137,301 | \$ 79,721 |
| LONG-TERM LIABILITIES: | | |
| Deferred lease obligation (Note 6) | \$ 44,635 | \$ 51,859 |
| Deferred compensation (Note 10) | 16,500 | - |
| Capital lease obligation - long-term (Note 6) | 10,440 | - |
| TOTAL LONG-TERM LIABILITIES | \$ 71,575 | \$ 51,859 |
| COMMITMENTS (Note 6) | | |
| NET ASSETS: (Notes 1, 7 and 8) | | |
| Unrestricted: | | |
| Undesignated | \$ (185,879) | \$ (425,354) |
| Board designated | 1,884,513 | 1,542,066 |
| Subtotals | \$ 1,698,634 | \$ 1,116,712 |
| Temporarily restricted | 1,817,682 | 1,610,495 |
| TOTAL NET ASSETS | \$ 3,516,316 | \$ 2,727,207 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 3,725,192 | \$ 2,858,787 |

The accompanying notes are an integral part of these financial statements.

**GRANTMAKERS IN HEALTH
STATEMENTS OF ACTIVITIES**

| | FOR THE YEARS ENDED DECEMBER 31, | | | | | |
|--|----------------------------------|---------------------------|---------------------|-----------------------|---------------------------|-----------------------|
| | 2009 | | | 2008 | | |
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| SUPPORT AND REVENUE: | | | | | | |
| Grants and contributions (Notes 1, 2 and 11) | \$ 1,517,622 | \$ 1,556,712 | \$ 3,074,334 | \$ 1,191,260 | \$ 694,688 | \$ 1,885,948 |
| Registration fees and other | 310,843 | - | 310,843 | 453,789 | - | 453,789 |
| Interest and dividend income | 55,316 | - | 55,316 | 117,219 | - | 117,219 |
| Net realized and unrealized gain (loss) on investments (Note 1) | 299,952 | - | 299,952 | (896,825) | - | (896,825) |
| Net assets released from restrictions | 1,349,525 | (1,349,525) | - | 1,194,746 | (1,194,746) | - |
| TOTAL SUPPORT AND REVENUES | \$ 3,533,258 | \$ 207,187 | \$ 3,740,445 | \$ 2,060,189 | \$ (500,058) | \$ 1,560,131 |
| EXPENSES: | | | | | | |
| Programs (Note 12) | \$ 2,325,658 | \$ - | \$ 2,325,658 | \$ 2,486,852 | \$ - | 2,486,852 |
| General and administrative | 498,306 | - | 498,306 | 509,304 | - | 509,304 |
| Fundraising | 127,372 | - | 127,372 | 119,225 | - | 119,225 |
| TOTAL EXPENSES | \$ 2,951,336 | \$ - | \$ 2,951,336 | \$ 3,115,381 | \$ - | \$ 3,115,381 |
| CHANGES IN NET ASSETS | \$ 581,922 | \$ 207,187 | \$ 789,109 | \$ (1,055,192) | \$ (500,058) | \$ (1,555,250) |
| NET ASSETS, BEGINNING OF YEAR | 1,116,712 | 1,610,495 | 2,727,207 | 2,171,904 | 2,110,553 | 4,282,457 |
| NET ASSETS, END OF YEAR | \$ 1,698,634 | \$ 1,817,682 | \$ 3,516,316 | \$ 1,116,712 | \$ 1,610,495 | \$ 2,727,207 |

The accompanying notes are an integral part of these financial statements.

GRANTMAKERS IN HEALTH
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED
DECEMBER 31,

2009 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | |
|---|--------------|--------------|
| Cash received from contributors and registrants | \$ 3,471,724 | \$ 2,897,039 |
| Cash paid to suppliers and employees | (2,923,040) | (3,114,841) |
| Interest and dividends received | 55,316 | 117,219 |

NET CASH PROVIDED BY (USED IN)

OPERATING ACTIVITIES

| | |
|------------|--------------|
| \$ 604,000 | \$ (100,583) |
|------------|--------------|

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|-------------------------------------|------------|-----------|
| Proceeds from sales of investments | \$ 449,289 | \$ 13,000 |
| Purchases of investments | (506,350) | (105,157) |
| Purchases of property and equipment | - | (4,837) |

NET CASH USED IN INVESTING ACTIVITIES

| | |
|-------------|-------------|
| \$ (57,061) | \$ (96,994) |
|-------------|-------------|

NET CHANGE IN CASH AND CASH EQUIVALENTS

| | |
|------------|--------------|
| \$ 546,939 | \$ (197,577) |
|------------|--------------|

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

| | |
|---------|---------|
| 407,577 | 605,154 |
|---------|---------|

CASH AND CASH EQUIVALENTS, END OF YEAR

| | |
|------------|------------|
| \$ 954,516 | \$ 407,577 |
|------------|------------|

RECONCILIATION OF CHANGE IN NET ASSETS TO NET

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

| | | |
|----------------------|------------|----------------|
| Change in net assets | \$ 789,109 | \$ (1,555,250) |
|----------------------|------------|----------------|

Reconciliation adjustments:

| | | |
|---|-----------|----------|
| Depreciation and amortization | 20,975 | 31,080 |
| Net realized and unrealized losses (gains) on investments | (299,952) | 896,825 |
| Changes in assets and liabilities: | | |
| Pledges receivable | 36,357 | 578,778 |
| Prepaid expenses and other | (7,141) | (9,500) |
| Accounts payable and accrued expenses | 5,186 | (17,836) |
| Deferred revenue - annual meeting | 50,190 | (21,476) |
| Deferred lease obligation | (7,224) | (3,204) |
| Deferred compensation | 16,500 | - |

NET CASH PROVIDED BY (USED IN)

OPERATING ACTIVITIES

| | |
|------------|--------------|
| \$ 604,000 | \$ (100,583) |
|------------|--------------|

Supplemental disclosure:

Noncash investing and financing transaction:

Lease of equipment

| | | |
|--------------------------|-----------|------|
| Equipment | \$ 12,644 | \$ - |
| Capital lease obligation | (12,644) | - |

The accompanying notes are an integral part of these financial statements.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 1. Organization and Summary of Significant Accounting Policies

Organization - Grantmakers In Health (“Organization”) is an educational organization serving trustees and staff of foundations and corporate giving programs. Its mission is to help grantmakers improve the nation’s health by building philanthropic knowledge, skills, and effectiveness and by fostering communication and collaboration among grantmakers and with others. The Organization accomplishes its mission through a variety of activities including technical assistance and consultation, convening, publishing, education and training, conducting studies of the field, and brokering professional relationships.

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. As of December 31, 2009 and 2008, the Organization had no permanently restricted net assets.

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

Investments - Investments in marketable securities with readily determinable fair values are measured at fair market value at the statement of financial position date and are subject to change thereafter due to market conditions. The net realized and unrealized gains and losses on investments are reflected in the statements of activities.

Cash and Cash Equivalents - For purposes of the statements 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 exceeding \$500 is capitalized at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Depreciation and amortization are provided over estimated useful lives between 3 and 10 years.

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the statements of activities. Maintenance and repairs are included as expenses when incurred.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 1. Organization and Summary of Significant Accounting Policies - (Continued)

Deferred Revenue - Revenue received, but not earned, is classified as deferred revenue on the statements of financial position.

Income Taxes - The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization did not have any unrelated business income for December 31, 2009 and 2008.

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 programs, general and administrative and fundraising.

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. The Organization considers pledges receivable fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

Due to the nature of these pledges, significant increases and decreases in net assets may occur. These significant fluctuations can arise as contributions are recognized as support in the calendar year in which they are pledged, but the corresponding expenses occur and are recognized in a different fiscal period. During 2009, the Organization collected \$769,610 of pledges which had been recognized as support in prior years. Conversely, \$712,498 of pledges recognized as support in 2009 is expected to be collected during the calendar years 2010 and 2011.

In addition, during 2008 the Organization was awarded a three-year conditional grant by a foundation totaling \$600,000, of which a total of \$300,000 has been recognized as support. Receipt of the remaining balance is conditional upon continued approvals by the foundation.

Total unconditional promises to give were as follows at December 31, 2009 and 2008:

| | 2009 | 2008 |
|-------------------------------------|-------------------|-------------------|
| Receivable in less than one year | \$ 285,182 | \$ 765,406 |
| Receivable in one to five years: | | |
| Total long-term pledges receivable | \$ 547,009 | \$ 62,029 |
| Less, discount to net present value | 46,682 | 5,569 |
| Net long-term pledges receivable | \$ 500,327 | \$ 56,460 |
| Total pledges receivable | <u>\$ 785,509</u> | <u>\$ 821,866</u> |

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 3. **Investments** - The fair values and aggregate costs of investments as of December 31, 2009 and 2008, are summarized as follows:

| | <u>2009</u> | <u>2008</u> |
|----------------------------------|---------------------|---------------------|
| Fair value: | | |
| Mutual funds | \$ 1,703,261 | \$ 1,538,492 |
| Equities | 175,744 | - |
| Money market held for investment | 16,500 | - |
| Totals | <u>\$ 1,895,505</u> | <u>\$ 1,538,492</u> |
| Aggregate cost | <u>\$ 2,116,851</u> | <u>\$ 2,302,526</u> |

Note 4. **Fair Value Measurement** - The Financial Accounting Standards Board (FASB) Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 4. Fair Value Measurement - (Continued):

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value.

Money Market - Valued by the institutional fund management at the stated price of the fund which generally equals the original cost of the investment.

Mutual Funds and Equities - Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year.

The following table sets forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2009:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|---------------------|------------------|-------------|---------------------|
| Mutual funds | \$ 1,703,261 | \$ - | \$ - | \$ 1,703,261 |
| Equities | 175,744 | - | - | 175,744 |
| Money market held for investment | - | 16,500 | - | 16,500 |
| Totals | <u>\$ 1,879,005</u> | <u>\$ 16,500</u> | <u>\$ -</u> | <u>\$ 1,895,505</u> |

Note 5. Property and Equipment - Components of property and equipment include the following as of December 31:

| | 2009 | 2008 |
|---|------------------|------------------|
| Furniture, equipment and capitalized software costs | \$ 353,604 | \$ 348,787 |
| Leasehold improvements | 19,173 | 19,173 |
| Total property and equipment | \$ 372,777 | \$ 367,960 |
| Less, Accumulated depreciation and amortization | 314,911 | 301,763 |
| Net property and equipment | <u>\$ 57,866</u> | <u>\$ 66,197</u> |

Depreciation and amortization expense for the years ended December 31, 2009 and 2008 amounted to \$20,975 and \$31,080, respectively.

Note 6. Commitments - The Organization entered into a ten-year lease for office space expiring on November 30, 2012. The defined future rental increases in the lease are amortized on a straight-line basis in accordance with U.S. generally accepted accounting principles. This gives rise to a deferred lease obligation, which is also amortized over the term of the lease. Total rent expense under the office lease for the years ended December 31, 2009 and 2008, was \$230,662 and \$222,763, respectively.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 6. **Commitments** - (Continued)

The Organization leases office equipment under non-cancelable operating leases expiring in 2012. Total rent expense for equipment leases for the years ended December 31, 2009 and 2008, was \$26,602 and \$33,584, respectively.

Future minimum lease payments under the operating leases as of December 31, 2009 are as follows:

| Year ending December 31, | Office Lease | Equipment Leases | Total |
|-----------------------------|-------------------|---------------------|-------------------|
| 2010 | \$ 213,833 | \$ 19,644 | \$ 233,477 |
| 2011 | 218,109 | 12,937 | 231,046 |
| 2012 | 203,593 | - | 203,593 |
| Totals | <u>\$ 635,535</u> | <u>\$ 32,581</u> | <u>\$ 668,116</u> |

The Organization leases its telephone equipment under a capital lease expiring in 2014. The capitalized lease is included in property and equipment at the present value of the minimum lease payments. The amortization of the asset under the capital lease is included in depreciation expense for the year ended December 31, 2009. The net book value of equipment under the capital lease as of December 31, 2009 is \$12,012.

Future minimum lease payments under the capital lease as of December 31, 2009 are as follows:

| Year ending December 31, | |
|--|------------------|
| 2010 | \$ 3,462 |
| 2011 | 3,462 |
| 2012 | 3,462 |
| 2013 | 3,462 |
| 2014 | <u>3,462</u> |
| Total minimum lease payments | \$ 17,310 |
| Less, amount representing interest | <u>4,666</u> |
| Present Value of Net Minimum Lease Payments | <u>\$ 12,644</u> |

The Organization has entered into agreements with hotels relating to meetings in 2010 and 2011. Such agreements generally contain provisions which obligate the Organization to book a minimum number of rooms and to spend certain minimums on food and beverages. Should these minimums not be achieved, the agreements obligate the Organization to pay certain specified amounts.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 7. **Net Assets** - Temporarily restricted net assets were as follows at December 31:

| | 2009 | 2008 |
|--|---------------------|---------------------|
| Resource Center | \$ 880,000 | \$ 445,727 |
| Endowment Access Project | 257,400 | 172,251 |
| Strengthening Capacity for Health Philanthropy | 150,000 | 350,000 |
| Pledges Receivable - Operations | 107,000 | 288,500 |
| Future Issue Dialogues/Meetings | 79,568 | 268,420 |
| National Poverty and Health Philanthropy Project | 63,000 | 37,500 |
| Disparities | 55,000 | - |
| Funders Network on Mental Health | 50,000 | - |
| Children's Health | 50,000 | - |
| Mission Related Investing | 45,000 | - |
| Funders Network on Oral Health | 45,000 | - |
| Meeting Basic Needs | 20,000 | - |
| GIH/MCHB Partnership | 15,714 | 18,097 |
| Women's Health Initiative | - | 30,000 |
| Totals | <u>\$ 1,817,682</u> | <u>\$ 1,610,495</u> |

Note 8. **Board-designated Endowment** - As of December 31, 2009 and 2008, the Board of Trustees had designated \$1,884,513 and \$1,542,066 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The president and CEO is authorized by the Board to draw down from the fund annually. The amount to be drawn from the fund each year may be determined by taking an average of the ending asset values, for the previous twelve quarters, and multiplying that amount by five percent. The Organization expects the current spending policy to allow its general endowment fund to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. The long-term objective of the investment fund is to produce a total rate of return of at least 5% in excess of the rate of inflation as measured by the Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Cities Average, 1967=100. Since the duration, direction, and intensity of inflation cycles vary from cycle to cycle, it is recognized that the return experienced by the endowment over any one cycle may vary from this objective; but it is deemed reasonable to expect at least a 5% real rate of return over succeeding cycles. A complementary objective of the investment

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 8. Board-designated Endowment - (Continued)

funds is that the total rate of return achieved by the funds competes favorably, when compared over comparable periods, to other fiduciary funds and/or relevant market indices having similar objectives and constraints and using similar investment media. Endowment assets are invested in a well diversified asset mix, which may include equity and debt securities. Both safety of endowment principal and the quality of its assets should be maintained. It is accepted that the criteria for safety and quality should not be imposed on each individual asset but rather on the endowment assets as a whole.

Changes in endowment net assets for the year ended December 31, 2009 is as follows:

| | |
|-------------------------------|---------------------|
| Balance, beginning of year | \$ 1,542,066 |
| Interest and dividends | 54,958 |
| Realized and unrealized gains | 299,952 |
| Investment expense | <u>(12,463)</u> |
| Balance, end of year | <u>\$ 1,884,513</u> |

Note 9. 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 a primary cash account at a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). However, cash in excess of \$250,000 per institution is generally not covered by the FDIC.

Note 10. Retirement Plan - The Organization maintains a non-contributory defined contribution retirement plan, qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, each eligible employee receives a contribution to their account in the amount of fifteen percent (15%) of compensation. Contributions to the plan for the years ended December 31, 2009 and 2008, were \$133,270 and \$106,655, respectively.

The Organization also maintains a deferred compensation plan under Internal Revenue Service Code Section 457(b) for the Organization's President and CEO. The contribution to the plan for the year ended December 31, 2009 was \$16,500.

Note 11. Grants - The Organization was awarded a five-year grant by the Department of Health and Human Services to be used for various health related programs totaling \$1,000,000. The grant period started May 11, 2005 and will end April 30, 2010. Each year the Organization applies for renewal of the grant. Revenue is recognized when the funds are expended. Revenue recognized from the grant for the years ended December 31, 2009 and 2008, was \$201,469 and \$192,850, respectively.

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 12. **Program Expenses** - Expenses were related to the following programs for the years ended December 31:

| | 2009 | 2008 |
|---------------------------------|---------------------|---------------------|
| Annual Meetings | \$ 735,374 | \$ 838,655 |
| Other Programs | 366,407 | 330,386 |
| Access and Coverage | 207,933 | 200,657 |
| GIH Bulletin | 197,852 | 178,343 |
| Support Center | 195,464 | 88,438 |
| GIH/MCHB Partnership Initiative | 143,296 | 130,103 |
| Issue Dialogues | 138,472 | 262,817 |
| Data Resource Center | 102,510 | 210,984 |
| Website | 97,036 | 99,852 |
| Audio Conference Series | 95,277 | 33,066 |
| Fall Forum | 46,038 | 76,626 |
| CDC Meeting on Public Health | - | 36,925 |
| Totals | <u>\$ 2,325,659</u> | <u>\$ 2,486,852</u> |

Note 13. **Subsequent Events** - In preparation of these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 22, 2010, which is the date the financial statements were available to be issued.