



*Helping grantmakers*

*improve the health of all people*



Dear Colleague:

The board and staff of Grantmakers In Health (GIH) take time each year to reflect on our activities and accomplishments from the previous year. In 2010 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 are responding to the challenges of health reform implementation, to improving women’s health, to building advocacy capacity and promoting healthy school food. This past year also marked several “firsts” for GIH, including the Federal-State Implementation Project, the GIH State Grant Writing Assistance Fund, the Terrance Keenan Institute for Emerging Leaders in Health Philanthropy, and the CEO Summit.

This annual report looks back on 2010 and briefly summarizes highlights of the year and key facts about GIH’s operations and governance. Products mentioned are available at [www.gih.org](http://www.gih.org).

GIH would like to express our thanks for the ongoing commitment of GIH Funding Partners and the participation of foundation staff and trustees from around the country who make it possible for us to create useful and relevant resources for the field. We invite you to take a look at what we offered in 2010 and hope you will find our work beneficial to yours.

Sincerely,

Lauren LeRoy, Ph.D.  
President and CEO

# 2010

## ACTIVITIES AND PUBLICATIONS

### MEETINGS AND EVENTS

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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.

#### *Taking Risks at a Critical Time*

##### **Annual Meeting on Health Philanthropy**

March 10-12 | Orlando, Florida

The 2010 Annual Meeting on Health Philanthropy examined how the enormous changes in the economy and financial sector over the past year affected the nation and vulnerable communities. The challenges that arose were accompanied by new opportunities for change and for grantmakers to sustain their roles as change agents and demonstrate their true measure and impact. The annual meeting featured breakout sessions designed to encourage direct and open exchange, site visits, and opportunities for peer-to-peer discussions. Keynote speakers included: Susan Sayers, Partners In Health; Len Nichols, George Mason University Center for Health Policy Research and Ethics; Gara LaMarche, The Atlantic Philanthropies; Mary Jane Koren, The Commonwealth Fund; and Christopher Murray, University of Washington.

#### *The Role of Mission-Related Investing in Health Care Philanthropy*

##### **Preconference Session to the Annual Meeting on Health Philanthropy**

March 10 | Orlando, Florida

Mission-related investing (MRI) provides foundations with opportunities to leverage limited resources in new and creative ways. Directing foundation resources in mission-related efforts can diversify an investment portfolio and create value for community partners while leveraging other public dollars or capital market investments. This preconference presented key MRI concepts and specific strategies for health foundations. Participants learned about foundations' MRI decisionmaking processes and how they can help leverage foundation resources during these difficult times.

#### *Charting a Healthy Life Course for Children*

##### **Preconference Session to the Annual Meeting on Health Philanthropy**

March 10 | Orlando, Florida

Difficult economic times are hardest on the vulnerable, and no group has more vulnerabilities (or possibilities) than children. Protecting children's health requires both reducing disease and ensuring conditions that allow them to realize their full potential. This session focused on the evolving health needs and threats of childhood. Key periods, such as prenatal development, infancy and early childhood, the elementary school years, and adolescence, were explored. Innovative approaches to early intervention, family support, and partnerships with schools and other child-serving organizations were also considered.

### *Terrance Keenan Institute for Emerging Leaders in Health Philanthropy*

September 28-29 | Washington, DC

The Terrance Keenan Institute for Emerging Leaders in Health Philanthropy, founded by GIH with support from the Robert Wood Johnson Foundation, is a living legacy through which Terrance Keenan's words and deeds will continue to inspire future leaders in the field. The institute offered an opportunity for foundation leaders to enhance the professional development of their most promising staff by nominating them to be institute fellows. GIH created the institute to nurture talented practitioners who have shown the potential to be among the next generation of leaders in the field of health philanthropy, to build relationships among this cadre of emerging philanthropic leaders, and to connect them with established figures in the field.

### *Fall Forum: Improving Women's Health from Communities to Care Settings*

November 9-10 | Washington, DC

For 2010 the Fall Forum, which focuses on the intersection of health policy and health philanthropy, was centered around women's health, examining women's primary health challenges across the age spectrum and paying special attention to the social and environmental factors – the social determinants of health – that shape women's life options, choices, and health-related behavior. It also explored issues women face in getting access to, and making decisions about, health care, including reproductive health care services. Trends that were covered included increasing rates for women of obesity, chronic diseases, and maternal mortality, and disturbing disparities in women's health along racial and ethnic lines. Discussions were held on what funders can do, with a focus on how women are developing and implementing their own solutions at the community level.

## OTHER MEETINGS

### *CEO Summit: Giving Ourselves Permission to Take Risks*

June 22-23 | St. Louis, Missouri

This summit for CEOs grew out of the desire of the GIH Board of Directors to invite more foundation leaders to the circle and broaden discussion on issues currently faced by foundations around the country. Discussions were centered on exploring the long-term implications of the major issues facing our society; identifying the types of philanthropic leadership, strategies, and resources that will be required to respond; helping foundation leaders develop strategic insights about the latitude they have to take risks, and the potential benefits they will gain from doing so, through dialogue with peers and experts; and energizing foundation leadership to take advantage of philanthropy's unique position to take bold action (particularly in difficult times) and be catalysts for social change.

### *Foundations and Health Care Reform*

July 27-28 | Boston, Massachusetts

Cosponsored with the Jewish Healthcare Foundation, The Commonwealth Fund, and the California HealthCare Foundation, this was a special funders-only meeting held in Boston to discuss how state and local health foundations can play key roles in advancing health reform, assisting localities with implementation, and shaping a new vision for the health care system. The gathering featured keynote speaker Dr. Atul Gawande who discussed how current medical practice will need to change under reform and the challenges associated with those changes. The meeting also included sessions on the community safety net, delivery system redesign, payment reform, workforce efficiency, and consumer education and engagement.

### *Building Health Advocacy Capacity at State and Local Levels*

#### **Invitational Strategy Session**

September 23 | Washington, DC

Cosponsored by the Missouri Foundation for Health and The California Endowment, this meeting was an interactive working session designed to explore innovative strategies and stimulate new thinking around advocacy capacity development. While focused on state- and local-level advocacy capacity, the meeting also addressed collaboration across

jurisdictions and linkages with nationally focused efforts. The meeting provided an opportunity for leaders in the field of health philanthropy and health advocacy to come together and explore innovative strategies and stimulate new thinking around advocacy capacity development.

### ***Back to Basics: Promoting Healthy School Food***

#### **Invitational Strategy Session and Site Visit**

October 13-14 | Denver, Colorado

Over the past few decades, the availability of unhealthy foods in the school environment has increased, leaving many students without the nutritious school meals they need and deserve. Although this was tolerated or overlooked for years, the tide is turning and many schools are improving their food offerings. This strategy session and site visit examined the current state of school food environments and identified points of opportunity for foundations to support school meal reform and fight childhood obesity. It featured a talk by Ann Cooper, the so-called Renegade Lunch Lady, and site visits to Revolution Foods and Adams City High School. Discussions were centered around facilitating peer learning and strategy development and on the potential roles of funders in this critical area.

## **AUDIOCONFERENCES**

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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 discussions are posted on the GIH Web site. Audioconferences held during 2010 include:

### **ACCESS**

- *Kids' Access Funders Network: Health Reform*, March 29

### **CHILDREN AND YOUTH**

- *Supporting Breastfeeding as a Strategy for Improving Children's Nutrition and Healthy Development*, February 4
- *Achieving Results with Promise Neighborhoods: Ensuring Children's Healthy Development, Well-Being, and Academic Success*, April 20
- *Home Visitation: Intervening Early to Improve Health Outcomes for Children and Their Families*, August 26
- *Early Childhood Mental Health: How Early Influences Can Affect Later Outcomes*, November 16

### **DISPARITIES**

- *Bridging the Health Care Workforce Gap: Combating Shortage and Diversity Challenges*, April 7
- *Taking Action to Address Disparities through Health Reform*, July 28

### **HEALTH PROMOTION**

- *Creating a Healthier School Environment*, August 10
- *Promoting Kids' Health through the Child Nutrition Act Reauthorization*, October 5
- *Eliminating Food Deserts and Creating Jobs: The Healthy Food Financing Initiative*, October 26
- *HRSA's New Prevention Center for Healthy Weight and the Healthy Weight Collaborative*, December 16

### HEALTH REFORM

- *Health Care Reform: What's in the Law and What's Philanthropy's Role as It Is Implemented?*, April 13
- *Health Reform Implementation: Ensuring Health Coverage for Low-Income Americans*, June 8
- *Health Reform: Messaging and Public Education*, July 8
- *Health Reform Messages for the Small Business Community*, July 13
- *Implementing Health Care Reform: Responding to the Challenge*, September 8
- *What Effect Will the Affordable Care Act Have on Women's Health?*, December 8
- *Reaching Out to Business – Part One*, December 15
- *Reaching Out to Business – Part Two*, December 16

### MENTAL HEALTH

- *Improving Cultural Competence to Reduce Behavioral Health Disparities*, February 25
- *The Great Need for Behavioral Health Workforce Development*, June 17
- *The Mental Health Impact of Intimate Partner Violence*, December 14

### ORAL HEALTH

- *Increasing Access to Dental Care through the Use of New Midlevel Providers*, January 28
- *Children's Dental Health: A State-by-State Look at a Growing Problem*, March 30
- *Health Reform and the Oral Health Safety Net*, September 16

### PUBLIC HEALTH

- *County Health Rankings: Using Data to Improve Community Health*, March 25
- *Implementing Health Reform's Prevention and Public Health Fund*, June 29

### PUBLIC POLICY

- *Strength in Numbers: Building Effective Coalitions*, January 6
- *Advancing Policy Change at the Local Level*, April 21
- *Policy Evaluation: Matching Methods to Purpose*, July 20
- *Evaluating Advocacy: Lessons from an Effort to Advance the Children's Health Care Coverage Policy Agenda*, August 3
- *Advocacy for Impact – Guiding Grantees to Success*, November 1

### QUALITY

- *Comparative Effectiveness Research: What Do Health Funders Need to Know?*, March 23
- *Health Information Technology: Health Center Adoption and Meaningful Use of Electronic Health Records*, August 3

### SOCIAL DETERMINANTS OF HEALTH

- *Funders' Discussion on the Social Innovation Fund*, January 11
- *Robert Wood Johnson Foundation and GIH Webinar: A New Way to Talk About the Social Determinants of Health*, July 29

## PUBLICATIONS

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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.

- “Integrative Medicine Offers Opportunity for Shared Learning and Collaboration” by Abby O’Neill, Vice President, Fannie E. Rippel Foundation, and Gerald Solomon, Executive Director, Samueli Institute, January 19
- “The State of State Budgets” by Martha P. King, Health Program Group Director, National Conference of State Legislatures, February 15
- “Foundation Collaboration: Partnering to Improve Young Children’s Oral Health” by Amber Slichta, Director of Programs, Community Health Foundation of Western and Central New York, and Allison Cusick, Program Manager, Washington Dental Service, June 21
- “It Takes Many Villages to Create a Public Health Improvement Plan” by Chris J. Wiant, President and CEO, Caring for Colorado Foundation, June 21
- “Paid Sick Days: A Health Policy for Everyone” by Anna Wadia, Program Officer, Ford Foundation; Beadsie Woo, Senior Associate, The Annie E. Casey Foundation; and Shanna Shulman, Director of Policy and Research, Blue Cross Blue Shield of Massachusetts Foundation, June 21
- “Board Service: From in Perpetuity to Term Limits” by Tom Feeney, Board Member, The Health Foundation of Greater Indianapolis, Inc., August 23
- “Building the Community Health Worker Field through Partnership and Innovation” by Marsha Shotley, President, Blue Cross and Blue Shield of Minnesota Foundation, August 23
- “Prison Diversion Programs: Compelling Social Investments for Foundations” by Joni S. Schwager, Executive Director, Staunton Farm Foundation, September 20
- “Healthy and Safe Housing: A Foundation for Healthy Futures” by David Fukuzawa, Program Director for Health, The Kresge Foundation, and Rebecca Morley, Executive Director, National Center for Healthy Housing, September 20
- “The Role of Philanthropy in Implementing Federal Health Reform” by M. Ryan Barker, Director of Health Policy, Missouri Foundation for Health, October 18
- “Paving the Way for Change: Implementing CLASS” by Bruce Chernof, President and CEO, The SCAN Foundation, October 18
- “Lights, Camera, Take Action: Spotlighting Public Health for the Next Generation” by Thomas Aschenbrener, President, Northwest Health Foundation, October 18
- “Ingredients for a Healthy School Lunch Movement” by Hillary Fulton, Program Officer, The Colorado Health

Foundation, November 15

- “Giving Voice: The Power of Grassroots Advocacy in Shaping Public Policy” by Billie Hall, President and CEO, Sunflower Foundation, November 15
- “Educating Californians about the Affordable Care Act” by Marley Klaus, Director, Communications and Media, and Robert Phillips, Director, Health and Human Services, The California Endowment, December 20
- “Access to Care for the Categorically Ineligible” by Ellen Schleicher Pliska, Maternal and Child Health Senior Analyst, and Pellavi Sharma, Access to Care Director, Association of State and Territorial Health Officials, December 20

### ► 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 included:

- “Schools as Entry Points for Children’s Mental Health Services,” January 18
- “Oral Health Disparities: A Shift Toward Policy Work,” February 15
- “State and Local Health Departments: Doing More with Support from Foundations,” February 15
- “Tackling the Tough Work of Community Change,” March 22
- “What’s in a Name? Untangling Health Disparities, the Social Determinants of Health, and Health Equity,” March 22
- “Intervening Early to Address Children’s Health Disparities,” April 19
- “Racism: Combating the Root Causes of Health Disparities,” April 19
- “Rethinking Substance Use Disorders,” April 19
- “Back to the Beginning: Obesity Prevention in Early Childhood,” May 17
- “Improving Quality: Long-Term Vision and Incremental Change,” May 17
- “Comparative Effectiveness Research: Informing Decisions and Improving Quality,” July 19
- “Improving Diversity in the Health Professions,” July 19
- “Home Visiting: Giving Parents and Children an Early Boost,” November 15

### ► Grantmaker Focus

Throughout the year, GIH helps grantmakers showcase their work through snapshots of their organizations. The following organizations were featured in 2010:

- DentaQuest Foundation, February 15
- Health Foundation of South Florida, March 22
- Methodist Healthcare Ministries of South Texas, Inc., May 17
- Riverside Community Health Foundation, July 19
- The Kresge Foundation, December 20

## 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.

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

Issue Brief No. 36 | March 2010

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

Issue Brief No. 37 | March 2010

## **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. Materials GIH produces for its meetings are also made accessible to the public via [www.gih.org](http://www.gih.org).

➤ **Taking Risks at a Critical Time**

Annual Meeting Portfolio | March 2010

- “Taking Risks at a Critical Time” (GIH essay)
- “A Defining Moment for Health Philanthropy” by Tom David, Tides
- “Navigating Risks to Eliminate Racial and Ethnic Disparities” by Patricia Baker, Connecticut Health Foundation
- “On Risk” by Mark Smith, California HealthCare Foundation
- “Taking Risks: Partnering with Government” by Phillip Gonzalez, Blue Cross Blue Shield of Massachusetts Foundation
- “Today’s Risk Is Tomorrow’s Convention” by Karen Feinstein, Jewish Healthcare Foundation

➤ **“Building Capacity for Health Advocacy at the State and Local Level,”** September 2010

➤ **“Back to Basics: Promoting Healthy School Food,”** October 2010

## **OTHER PUBLICATIONS**

***Implementing Health Care Reform: Funders and Advocates Respond to the Challenge,***

August 2010

## **SPECIAL PROJECTS**

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➤ **Federal-State Implementation Project (F-SIP)**

F-SIP was designed to improve communication between the federal officials implementing the Affordable Care Act (ACA), the research and advocacy organizations that are doing work related to health reform, and the foundations that support that work. The ultimate goal of the project is to help advance good policy choices that lay the foundation for successful implementation of the ACA.

Housed at GIH, F-SIP is led by an accomplished team: Melanie Nathanson of Nathanson & Hauck, Chris Jennings of Jennings Policy Strategies, Judy Feder of the Center for American Progress, and Karen Davenport of the George Washington University.

The project is supported by The Atlantic Philanthropies, The California Endowment, The Commonwealth Fund, The Nathan Cummings Foundation, Robert Wood Johnson Foundation, The David and Lucile Packard Foundation, Rockefeller Foundation, The SCAN Foundation, and hjw foundation.

➤ **GIH Health Reform Resource Center Fund**

The Affordable Care Act’s influence on a broad range of health issues is affecting much of the work in which health



grantmakers are engaged. Increasing numbers of foundations are looking for constructive ways to address health reform implementation at the national, state, and community level. In 2010 GIH established the GIH Health Reform Resource Center Fund, which allows GIH to increase staff resources and programming in order to inform and connect funders sponsoring work related to health reform implementation, and to provide sound, strategic, and actionable information to funders in a timely fashion. The fund also allows foundations to share responsibility for determining health philanthropy's role in health reform implementation.

Current contributors to the fund include:

- Aetna Foundation, Inc.
- Mary Black Foundation
- Blue Cross Blue Shield of Massachusetts Foundation
- Blue Shield of California Foundation
- The California Endowment
- California HealthCare Foundation
- The California Wellness Foundation
- The Colorado Health Foundation
- Community Health Foundation of Western and Central New York
- Cone Health Foundation
- Consumer Health Foundation
- DentaQuest Foundation
- Health Care Foundation of Greater Kansas City
- The Health Foundation of Greater Indianapolis, Inc.
- Jewish Healthcare Foundation
- The Henry J. Kaiser Family Foundation
- Kansas Health Foundation
- W.K. Kellogg Foundation
- Maine Health Access Foundation
- MetroWest Community Health Care Foundation
- Mid-Iowa Health Foundation
- Missouri Foundation for Health
- Nemours
- The New York Community Trust
- Quantum Foundation
- REACH Healthcare Foundation
- The SCAN Foundation
- Sierra Health Foundation
- Sunflower Foundation
- Tides
- United Hospital Fund

#### ► **GIH State Grant Writing Assistance Fund**

The Affordable Care Act offers a number of funding opportunities to state government agencies to support their efforts implementing the health reform law. Because of budgetary and staffing constraints, the quick turnaround time for responding to many federal grant announcements, and major shifts in state government, many states have found it difficult to prepare proposals to access these funds. To address this issue, GIH, with support from the Robert Wood Johnson Foundation, created the GIH State Grant Writing Assistance Fund and issued a request for proposals in December 2010. The fund provides up to \$15,000 in matching funds per state to grantmakers who are interested in offering grant writing support to state government agencies. Currently the fund has provided grants to foundations in 11 states.

2010

## 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.

The Ahmanson Foundation

Allegany Franciscan Ministries, Inc.

Alliance Healthcare Foundation

Altman Foundation

The Jenifer Altman Foundation

American Legacy Foundation

Archstone Foundation

The Assisi Foundation of Memphis, Inc.

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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

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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  
Clark Regional Foundation for the Promotion of Health, Inc.  
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  
Community West Foundation  
Comprehensive Health Education Foundation  
Con Alma Health Foundation, Inc.  
Cone Health Foundation  
Connecticut Health Foundation  
Consumer Health Foundation  
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de Beaumont Foundation  
Deaconess Foundation  
Ira W. DeCamp Foundation  
Delta Dental of Colorado Foundation  
DentaQuest Foundation  
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Foundation for a Healthy Kentucky  
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The Helene Fuld Health Trust  
The George Family Foundation  
GRACE Communications Foundation  
Greater Milwaukee 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  
 HJW Foundation  
*HNH*Foundation  
 Hogg Foundation for Mental Health  
 The Horizon Foundation  
 Houston Endowment Inc.  
 Illinois Children's Healthcare Foundation  
 Incarnate Word Foundation  
 Irvine Health Foundation  
 The Jasper Foundation  
 The Jenkins Foundation  
 Jewish Healthcare Foundation  
 Johnson & Johnson  
 Robert Wood Johnson Foundation  
 Jonas Center for Nursing Excellence  
 K21 Health Foundation  
 The Henry J. Kaiser Family Foundation  
 Kaiser Permanente  
 Kansas Health Foundation  
 W.K. Kellogg Foundation  
 The Kresge Foundation  
 L.A. Care Health Plan  
 Lancaster Osteopathic Health Foundation  
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 Lower Pearl River Valley Foundation  
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 Mountainside Health Foundation  
 John Muir/Mt. Diablo Community Health Fund  
 Nemours  
 New England Healthcare Institute  
 New Hampshire Charitable Foundation  
 The New York Community Trust  
 New York State Health Foundation  
 North Penn Community Health Foundation  
 Northern Virginia Health Foundation  
 Northwest Health Foundation  
 Obici Healthcare Foundation  
 Oklahoma Tobacco Settlement Endowment Trust  
 Osteopathic Heritage Foundations  
 The David and Lucile Packard Foundation  
 Lucile Packard Foundation for Children's Health  
 Pajaro Valley Community Health Trust  
 Palm Healthcare Foundation, Inc.  
 Partners HealthCare  
 Paso del Norte Health Foundation  
 The Patterson Foundation

The Pew Charitable Trusts  
Pfizer Inc. and Pfizer Foundation  
Phoenixville Community Health Foundation  
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The Dorothy Rider Pool Health Care Trust  
Portsmouth General Hospital Foundation  
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Public Welfare Foundation  
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The Rapides Foundation  
RCHN Community Health Foundation  
REACH Healthcare Foundation  
Michael Reese Health Trust  
Regence BlueCross BlueShield of Oregon  
The Retirement Research Foundation  
John Rex Endowment  
The Kate B. Reynolds Charitable Trust  
Richmond Memorial Health Foundation  
Fannie E. Rippel Foundation  
Riverside Community Health Foundation  
The Roche Foundation  
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St. Joseph Community Health Foundation  
St. Luke's Episcopal Health Charities  
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The SCAN 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 St. Joseph Charitable Fund  
Richard and Susan Smith Family Foundation  
The Barbara Smith Fund  
The Otho S.A. Sprague Memorial Institute  
Staunton Farm Foundation  
Sunflower 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.  
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Washington Dental Service Foundation  
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Welborn Baptist Foundation, Inc.  
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Jesse Parker Williams Foundation, Inc.  
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# 2010

ANNUAL REPORT

GRANT  
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*Senior Program Associate*

EMILY ART, M.P.H.  
*Program Associate*

ANN McMILLAN, M.S.W.  
*Program Associate*

LEILA POLINTAN, M.A.  
*Communications Manager*

ANNETTE HENNESSEY  
*Executive Liaison to the Board*

SUMINTRA JONAS  
*Executive Coordinator*

MELISSA BLAND  
*Accounting and Grants Management*

GARTRELL WRIGHT  
*Office Technology Specialist*

SANDY PEREZ  
*Program Assistant*

# 2010

## INDEPENDENT AUDITORS' REPORT

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# SARFINOANDRHOADES, LLP

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## 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, 2010 and 2009, 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 auditing standards generally accepted in the United States of America. 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, 2010 and 2009, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Sarfino and Rhoades LLP*

February 16, 2011



**GRANTMAKERS IN HEALTH**  
**STATEMENTS OF FINANCIAL POSITION**

	DECEMBER 31,	
	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents (Notes 1 and 9)	\$ 1,889,421	\$ 954,516
Pledges receivable - current portion (Note 2)	857,891	285,182
Prepaid expenses and other	23,746	16,641
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 2,771,058</b>	<b>\$ 1,256,339</b>
<b>OTHER ASSETS:</b>		
Investments (Notes 1, 3 and 4)	\$ 2,152,201	\$ 1,895,505
Deposit	15,155	15,155
Pledges receivable - non current portion (Note 2)	364,151	500,327
<b>TOTAL OTHER ASSETS</b>	<b>\$ 2,531,507</b>	<b>\$ 2,410,987</b>
<b>PROPERTY AND EQUIPMENT, net</b> (Notes 1 and 5)	<b>\$ 45,980</b>	<b>\$ 57,866</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,348,545</b>	<b>\$ 3,725,192</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 73,182	\$ 55,512
Capital lease obligation - current portion (Note 6)	2,362	2,204
Deferred revenue - annual meeting (Note 1)	78,665	79,585
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 154,209</b>	<b>\$ 137,301</b>
<b>LONG-TERM LIABILITIES:</b>		
Deferred lease obligation (Note 6)	\$ 33,310	\$ 44,635
Deferred compensation (Note 10)	32,864	16,500
Capital lease obligation - long-term (Note 6)	7,900	10,440
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 74,074</b>	<b>\$ 71,575</b>
<b>COMMITMENTS</b> (Note 6)		
<b>NET ASSETS:</b> (Notes 1, 7 and 8)		
Unrestricted:		
Undesignated	\$ 195,075	\$ (185,879)
Board designated	2,128,515	1,884,513
Subtotals	\$ 2,323,590	\$ 1,698,634
Temporarily restricted	2,796,672	1,817,682
<b>TOTAL NET ASSETS</b>	<b>\$ 5,120,262</b>	<b>\$ 3,516,316</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,348,545</b>	<b>\$ 3,725,192</b>

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

**GRANTMAKERS IN HEALTH  
STATEMENTS OF ACTIVITIES**

FOR THE YEARS ENDED DECEMBER 31,

2009

2010

	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Grants and contributions (Notes 1, 2 and 11)	\$ 1,161,114	\$ 3,207,984	\$ 4,369,098	\$ 1,223,872	\$ 1,850,462	\$ 3,074,334
Registration fees and other	358,070	-	358,070	310,843	-	310,843
Interest and dividend income	61,046	-	61,046	55,316	-	55,316
Net realized and unrealized gain on investments (Note 1)	198,558	-	198,558	299,952	-	299,952
Net assets released from restrictions	2,228,994	(2,228,994)	-	1,643,275	(1,643,275)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 4,007,782</b>	<b>\$ 978,990</b>	<b>\$ 4,986,772</b>	<b>\$ 3,533,258</b>	<b>\$ 207,187</b>	<b>\$ 3,740,445</b>
<b>EXPENSES:</b>						
Programs (Note 12)	\$ 2,666,881	-	\$ 2,666,881	\$ 2,325,658	-	2,325,658
General and administrative	626,282	-	626,282	498,306	-	498,306
Fundraising	89,663	-	89,663	127,372	-	127,372
<b>TOTAL EXPENSES</b>	<b>\$ 3,382,826</b>	<b>\$ -</b>	<b>\$ 3,382,826</b>	<b>\$ 2,951,336</b>	<b>\$ -</b>	<b>\$ 2,951,336</b>
<b>CHANGES IN NET ASSETS</b>	<b>\$ 624,956</b>	<b>\$ 978,990</b>	<b>\$ 1,603,946</b>	<b>\$ 581,922</b>	<b>\$ 207,187</b>	<b>\$ 789,109</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,698,634</b>	<b>1,817,682</b>	<b>3,516,316</b>	<b>1,116,712</b>	<b>1,610,495</b>	<b>2,727,207</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,323,590</b>	<b>\$ 2,796,672</b>	<b>\$ 5,120,262</b>	<b>\$ 1,698,634</b>	<b>\$ 1,817,682</b>	<b>\$ 3,516,316</b>

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

**GRANTMAKERS IN HEALTH  
STATEMENTS OF CASH FLOWS**

	FOR THE YEARS ENDED DECEMBER 31,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from contributors and registrants	\$ 4,289,715	\$ 3,471,724
Cash paid to suppliers and employees	(3,345,383)	(2,923,040)
Interest and dividends received	61,046	55,316
<b>NET CASH PROVIDED BY</b>		
<b>OPERATING ACTIVITIES</b>	<b>\$ 1,005,378</b>	<b>\$ 604,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of investments	\$ 727,650	\$ 449,289
Purchases of investments	(788,170)	(506,350)
Purchases of property and equipment	(9,953)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>\$ (70,473)</b>	<b>\$ (57,061)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	\$ 934,905	\$ 546,939
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	954,516	407,577
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,889,421</b>	<b>\$ 954,516</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,603,946	\$ 789,109
Reconciliation adjustments:		
Depreciation and amortization	21,839	20,975
Net realized and unrealized gains on investments	(198,558)	(299,952)
Changes in assets and liabilities:		
Pledges receivable	(436,533)	36,357
Prepaid expenses and other	(7,105)	(7,141)
Accounts payable and accrued expenses	17,670	5,186
Deferred revenue - annual meeting	(920)	50,190
Deferred lease obligation	(11,325)	(7,224)
Deferred compensation	16,364	16,500
<b>NET CASH PROVIDED BY</b>		
<b>OPERATING ACTIVITIES</b>	<b>\$ 1,005,378</b>	<b>\$ 604,000</b>
<b>Supplemental disclosure:</b>		
<b>Noncash investing and financing transaction:</b>		
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, 2010 AND 2009**

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, 2010 and 2009, 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 or is fulfilled, 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 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.

**Investments** - Investments in marketable securities with readily determinable fair values are measured at fair 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.

**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.

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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

**Property and Equipment - (Continued)**

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.

**Deferred Revenue** - Revenue received but not earned is classified as deferred revenue on the statements of financial position. This primarily represents registration fees received in advance.

**Income Tax Status** - 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 the years ended December 31, 2010 and 2009.

**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 to be fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

Due to the nature of these pledges, significant fluctuations 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 are incurred and recognized in a different fiscal period. During 2010, the Organization collected \$284,090 of pledges which had been recognized as support in prior years. Conversely, \$1,104,626 of pledges recognized as support in 2010 is expected to be collected during the calendar years 2011 and 2012.

In addition, during 2008 the Organization was awarded a three-year conditional grant by a foundation totaling \$600,000, of which a total of \$500,000 has been recognized as support through 2010. During 2010, the Organization was awarded four conditional multi-year grants from foundations. The total of these awards were \$1,980,000, of which \$615,625 was recognized as revenue in 2010 and the balance will be recognized in future periods upon continued approvals by the foundations.

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

Note 2. **Pledges Receivable** - (Continued)

Total unconditional promises to give were as follows at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Receivable in less than one year	\$ 857,891	\$ 285,182
Receivable in one to five years:		
Total long-term pledges receivable	\$ 394,262	\$ 547,009
Less, discount to net present value	<u>30,111</u>	<u>46,682</u>
Net long-term pledges receivable	\$ 364,151	\$ 500,327
Total pledges receivable	<u>\$ 1,222,042</u>	<u>\$ 785,509</u>

Note 3. **Investments** - The fair values and aggregate costs of investments as of December 31, 2010 and 2009, are summarized as follows:

	<u>2010</u>	<u>2009</u>
Fair value:		
Mutual funds	\$ 1,915,476	\$ 1,703,261
Equities	236,725	175,744
Money market held for investment	<u>-</u>	<u>16,500</u>
Totals	<u>\$ 2,152,201</u>	<u>\$ 1,895,505</u>
Aggregate cost	<u>\$ 2,089,769</u>	<u>\$ 2,116,851</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.

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

Note 4. **Fair Value Measurement** - (Continued)

- 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.

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 approximates the original cost and fair value of the underlying assets.

*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 tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value:

	Assets at fair value at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,915,476	\$ -	\$ -	\$ 1,915,476
Equities	236,725	-	-	236,725
Totals	\$ 2,152,201	\$ -	\$ -	\$ 2,152,201

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

Note 4. **Fair Value Measurement** - (Continued)

	Assets at fair value at 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:

	2010	2009
Furniture, equipment and capitalized software costs	\$ 321,798	\$ 353,604
Leasehold improvements	19,173	19,173
Total property and equipment	\$ 340,971	\$ 372,777
Less, Accumulated depreciation and amortization	294,991	314,911
Net property and equipment	<u>\$ 45,980</u>	<u>\$ 57,866</u>

Depreciation and amortization expense for the years ended December 31, 2010 and 2009 amounted to \$21,839 and \$20,975, 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 accounting principles generally accepted in the United States of America. This gives rise to a deferred lease obligation, which is also amortized over the term of the lease. The lease is subject to increases in operating expenses and real estate taxes. Total rent expense under the office lease for the years ended December 31, 2010 and 2009, was \$239,510 and \$230,662, respectively.

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, 2010 and 2009, was \$31,793 and \$26,602, respectively.



**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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

Future minimum lease payments under the operating leases are as follows:

Year ending December 31,	Office Lease	Equipment Leases	Total
2011	\$ 218,109	\$ 15,445	\$ 233,554
2012	203,593	13,200	216,793
2013	-	13,200	13,200
2014	-	13,200	13,200
2015	-	2,200	2,200
Totals	<u>\$ 421,702</u>	<u>\$ 57,245</u>	<u>\$ 478,947</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, 2010. The net book value of equipment under the capital lease as of December 31, 2010 is \$9,483.

Future minimum lease payments under the capital lease are as follows:

Year ending December 31,	
2011	\$ 3,000
2012	3,000
2013	3,000
2014	<u>2,750</u>
Total minimum lease payments	\$ 11,750
Less, amount representing interest	<u>1,488</u>
Present Value of Net Minimum Lease Payments	<u>\$ 10,262</u>

The Organization has entered into agreements with hotels relating to meetings in 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, 2010 AND 2009**

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

	2010	2009
Resource Center	\$ 547,000	\$ 880,000
Health Reform Resource Center	422,335	-
State Grant Writing Assistance Fund	400,000	-
Strengthening Capacity for Health Philanthropy	400,000	150,000
F-SIP Health Reform	273,550	-
Wellness	259,725	-
Healthy Eating Active Living	90,000	-
Children's Coverage	77,400	-
National Poverty and Health Philanthropy Project	63,000	63,000
Funders Network on Oral Health	60,113	45,000
Pledges Receivable - Operations	50,500	107,000
Disparities	50,000	55,000
Complementary and Alternative Medicine	49,000	-
Funders Network on Mental Health	25,000	50,000
Meeting Basic Needs	18,121	20,000
GIH/MCHB Partnership	6,428	15,714
Annual Meeting	2,500	-
Future Issue Dialogues/Meetings	2,000	79,568
Endowment Access Project	-	257,400
Children's Health	-	50,000
Mission Related Investing	-	45,000
Totals	<u>\$ 2,796,672</u>	<u>\$ 1,817,682</u>

Note 8. **Board-designated Endowment** - As of December 31, 2010 and 2009, the Board of Trustees had designated \$2,128,515 and \$1,884,513 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.

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

Note 8. **Board-designated Endowment** - (Continued)

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 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, is as follows:

	2010	2009
Balance, beginning of year	\$ 1,884,513	\$ 1,542,066
Interest and dividends	60,724	54,958
Realized and unrealized gains	198,559	299,952
Investment expense	(15,281)	(12,463)
Balance, end of year	<u>\$ 2,128,515</u>	<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). FDIC coverage has limitations and cash balances exceed those limits at times throughout the year. Management does not consider this to be a significant risk.

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, 2010 and 2009, were \$163,951 and \$133,270, respectively.

**GRANTMAKERS IN HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

Note 10. **Retirement Plan** - (Continued)

The Organization also maintains a deferred compensation plan under Internal Revenue Service Code Section 457(b) for the Organization's President and CEO. The contributions to the plan for the years ended December 31, 2010 and 2009 were \$14,696 and \$16,500, respectively.

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 ended 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, 2010 and 2009, was \$178,006 and \$201,469, respectively.

The organization was awarded a three-year grant by the Department of Health and Human Services in the amount of \$200,000 per year during the award period of February 1, 2011 through January 31, 2014.

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

	2010	2009
Health Reform	\$ 760,098	\$ -
Other Programs	562,294	366,406
Annual Meetings	541,682	735,374
Data Resource Center	238,509	102,510
Access and Coverage	120,692	207,933
GIH/MCHB Partnership Initiative	112,769	143,296
Website	104,813	97,036
GIH Bulletin	90,874	197,852
Support Center	63,977	195,464
Audio Conference Series	38,812	95,277
Fall Forum	28,711	46,038
Issue Dialogues	3,650	138,472
Totals	<u>\$ 2,666,881</u>	<u>\$ 2,325,658</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 16, 2011, which is the date the financial statements were available to be issued.