GIH

Helping grantmakers improve the health of all people

GRANT MAKERS IN HEALTH

Dear Colleague:

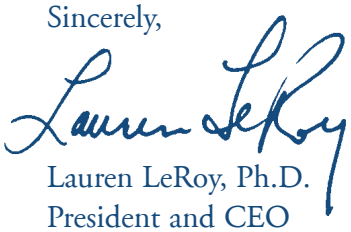
We invite you to explore Grantmakers In Health's (GIH) *2011 Annual Report*, which summarizes highlights of the year and key facts about GIH's operations and governance. Our work covered a range of issue areas—from health reform, to behavioral health, to the social determinants of health—providing opportunities for funders to learn about critical health issues through written products, audioconferences and webinars, meetings, and issue networks. More information about the items mentioned in the report is available at www.gih.org.

One of our biggest accomplishments of the year was the **GIH State Grant Writing Assistance Fund**, a program first launched in 2010, providing matching dollars to foundations offering grant writing support related to implementing aspects of the Affordable Care Act (ACA). Through the fund, grantees were able to secure millions of dollars in additional grant support toward ACA implementation. Another major undertaking was the release of the report ***Guide to Impact Investing***, a framework to help funders think strategically about the potential of impact investing, part of a growing practice to align foundations' investments with their missions and incorporate environmental, social, and governance criteria into investment decisionmaking. As the field of health philanthropy evolves and grows, we thought it important to explore this practice and how it may augment the work of grantmakers in potentially significant ways.

None of this work would have been possible without the continued commitment and support of GIH Funding Partners and the participation of foundation staff and trustees who help us create useful and relevant resources for the field. Thank you.

We look forward to continue serving health grantmakers to improve the health of all people.

Sincerely,



Lauren LeRoy, Ph.D.
President and CEO

1100 CONNECTICUT AVENUE, NW ■ SUITE 1200 ■ WASHINGTON, DC 20036 ■ 202.452.8331 ■ FAX 202.452.8340 ■ www.gih.org

GRANT MAKERS IN HEALTH

2011 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.

Creating a Healthier Future for Our Kids, Families, and Communities

Annual Meeting on Health Philanthropy

March 2-4 | Los Angeles, California

The 2011 Annual Meeting on Health Philanthropy challenged grantmakers to envision a healthier future for children, families, and communities through work on many fronts: creating communities that support healthy choices; promoting healthy behaviors; improving access to physical and behavioral health services; building a safe, equitable, and value-based system of care; and turning knowledge into practice.

Laying the Groundwork for Implementation: System Redesign, Payment Reform, and Information Infrastructure

Preconference Session at the Annual Meeting on Health Philanthropy

March 2 | Los Angeles, California

Foundations are facing important decisions regarding how their limited resources can best leverage opportunities created by national reform legislation, while continuing to advance broader changes not fully addressed by the Affordable Care Act. The law's ambitious timeline adds to philanthropy's sense of urgency. This preconference session focused on the roles that health funders can play in advancing health reform. A panel of experts kicked off a set of conversations about delivery system redesign, payment reform, health information technology, and comparative effectiveness research. Funders discussed challenges and concerns and identified areas of investment and coordination.

Promoting Behavioral Health Integration in a Reforming Health Care System

Preconference Session at the Annual Meeting on Health Philanthropy

March 2 | Los Angeles, California

For people of all ages, integrated care promotes well-being by addressing the relationship between behavioral and physical health. Foundations have played an important role in moving this effective and innovative practice forward. Using a series of case studies and activities, this session took an in-depth look at strategies and leveraging opportunities for promoting behavioral health and primary care integration at the federal, state, and local levels. Attention was given to policy work related to integrated care, the role of integrated care in health care reform, and the need for cultural and linguistic competency in this work.

The Art and Science of Health Grantmaking

June 6-7 | Minneapolis, Minnesota

This biennial meeting examined the ins and outs of grantmaking and foundation operations. Designed for staff and trustees of health foundations, it provided hands-on professional development in governance, finance and investments, grantmaking, evaluation, and communications. Attendees explored both the fundamentals of running a foundation

and advanced strategies to address critical issues facing the field.

Fall Forum: The Intersection of Health Policy and Philanthropy

November 3-4 | Washington, DC

This annual program focused on the intersection of health policy and health philanthropy and dug 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 "Working with Government on Multiple Policy Fronts."

Safety Net in the Era of Health Reform: A New Vision of Care

A GIH Issue Dialogue

November 3 | Washington, DC

This Issue Dialogue focused on the future of local safety nets across the country and explored how philanthropy can support infrastructure developments and quality improvements, including the adoption of technology, patient care coordination, and expanding provider of choice models. Funders, researchers, providers, and federal officials discussed the need to enhance the capacity and effectiveness of care delivery within the safety net system in the wake of health reform, and whether they are up to the challenge.

Too Few Choices, Too Much Junk: Connecting Food and Health

A GIH Issue Dialogue

November 4 | Washington, DC

At this Issue Dialogue, grantmakers, researchers, and practitioners discussed the current food system, connections between food access and health, and the role of the built environment. Updates were provided on the Farm Bill; the Supplemental Nutrition Assistance Program; Women, Infants, and Children; and other federal policies related to food access, with ideas shared on how to maximize their potential. Participants focused discussion on promising solutions and opportunities to innovate, including healthy food financing initiatives, healthy food incentives, community kitchens, and food hubs.

OTHER MEETINGS

Full Circle Dialogue on Health

April 11 | Philadelphia, Pennsylvania | Council on Foundations Annual Conference

GIH designed an interactive session on health reform, which featured four simultaneous roundtable discussions, facilitated by Sara Kay of The Nathan Cummings Foundation, Helen Neuborne of The Ford Foundation, Susan Sherry of Community Catalyst, and Nancy Zionts of Jewish Healthcare Foundation.

Encouraging Multi-Sectoral, Place-Based Strategies to Support Children's Healthy Development

Invitational Strategy Session

April 26 | Washington, DC

Cosponsored by Nemours and the Health Resources and Services Administration, this working session explored the importance of, and strategies for, connecting the varied systems that care for children to optimize their health and development over time. Highlights included examining innovative community-level models and other promising policies and practices to promote diffusion. Potential roles for funders to ensure broader philanthropic support of place-based efforts focused on children were also explored.

Variety Is the Spice of Life: Ensuring Health Workforce Diversity

Invitational Strategy Session

June 15 | Washington, DC

With support from the Missouri Foundation for Health, this working session was designed to explore the importance

of, and strategies for, increasing diversity in the health professional workforce. In addition to highlighting the issues faced across a broad spectrum of health professionals, innovative models and promising policies and practices to strengthen diversity and capacity were explored. Also discussed were opportunities for funders to ensure broader philanthropic support of national-, state-, and local-level diversity-strengthening efforts.

Foundations and Health Reform

Invitational Meeting

June 16-17 | Washington, DC

Held in conjunction with the U.S. Department of Health and Human Services, the goals of this meeting were to introduce the federal officials implementing the Affordable Care Act to the leadership of national, state, and local foundations that are supporting work related to health reform; identify constructive roles that various foundations can play in supporting the implementation effort; and plot concrete opportunities for government and philanthropy to work in partnership.

Health, Housing, and Community Development

Invitational Meeting

July 20 | Washington, DC

GIH and the U.S. Department of Housing and Urban Development (HUD) cosponsored this meeting to bring federal officials, foundations, and local officials together. It spotlighted cross-sector local programs that work to improve public health and address social and economic challenges; identified barriers to smart, innovative local solutions that could be alleviated through aligning federal programs across HUD and the U.S. Department of Health and Human Services; elevated innovative models for creating healthy communities that are ripe for "scaling-up"; and provided a forum for sharing local best practices.

Food and Agriculture in the Commonwealth: A Funders' Conversation

November 2 | Charlottesville, Virginia

This meeting (hosted by the Charlottesville Area Community Foundation and cosponsored by Sustainable Agriculture and Food Systems Funders) discussed critical systemic issues that need sustained attention to improve Virginia's food system, funding gaps and opportunities, and opportunities for partnership.

Promoting Public-Private Collaboration to Improve Maternal and Child Health, U.S. Department of Health and Human Services Region VI

Invitational Strategy Session

November 14 | Addison, Texas

Sponsored by the Health Resources and Services Administration's Maternal and Child Health Bureau within the U.S. Department of Health and Human Services (HHS), this strategy session convened leaders from philanthropy and government maternal and child health agencies in HHS Region VI (Arkansas, Louisiana, New Mexico, Oklahoma, and Texas) to foster communication and explore opportunities for enhancing strategic relationships. Participants discussed priorities, identified opportunities for additional collaboration, and explored factors likely to influence the success of cooperative activities.

Building a Healthier Future Summit

Funders' Breakfast

November 30 | Washington, DC

GIH cosponsored a funders-only meeting, which took place during the Partnership for a Healthier America (PHA) Summit *Building a Healthier Future: Bringing Together Industry and Civic Leaders to End Childhood Obesity.* This meeting gave health funders the opportunity to learn more about PHA, share information, and discuss strategies for furthering work on childhood obesity.

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. Audioconferences held during 2011 include:

BEHAVIORAL HEALTH

- *The Consumer Voice in Behavioral Health: A Powerful Tool*, March 29
- *Mental Health Financing in the United States*, June 2
- *The SAMHSA/HRSA Center for Integrated Health Solutions: A Briefing for Funders*, July 13
- *The Impact of Health Reform on Behavioral Health Redesign*, August 10

DISPARITIES

- *Frameworks for Transforming Systems and Improving Health Outcomes*, February 23
- *The NPA: Supporting Collective Impact on Health Equity*, July 7
- *Health Literacy: Improving Health Information and Services in Vulnerable Communities*, September 19
- *Reducing Health Disparities for Lesbian, Gay, Bisexual, and Transgender Americans*, October 20
- *Transgender Health and Human Rights*, cosponsored by the Sexual Health and Rights Project and the Open Society Public Health Program, November 9

FOUNDATION OPERATIONS

- *Achieving Mission through Impact Investing*, July 18

HEALTH REFORM

- *"Where the Rubber Meets the Road" and the Affordable Care Act Fund,* February 22
- *"Aligning Forces for Quality" and Supporting Payment Reform,* March 30
- *CLASS: Exploring the Program and the Role of Foundations*, May 10
- *Know Your Care: A New Campaign to Explain the Affordable Care Act*, May 12
- *Backseat Budgeter®,* May 23
- *A Health Spending Cap: Implications for Medicaid, CHIP, & ACA Implementation,* June 7
- *Investing in Health Care Quality and Patient Safety,* June 13
- *Constructing Grantmaking Strategies in Challenging Times*, July 12
- *Update on Know Your Care,* September 9
- *Update on Enroll America,* September 15
- *Implications of Health Care Reform for Immigrant Communities*, cosponsored by Grantmakers for Children, Youth, and Families, and Grantmakers Concerned with Immigrants and Refugees, October 21
- *Bringing Excellence to Scale: A Conversation with CMS Administrator Donald Berwick*, October 31
- *The Latino Community and the ACA*, November 28

- *Essential Health Benefits: Balancing Coverage and Cost*, November 30

HEALTHY EATING/ACTIVE LIVING

- *Developing State-Level Healthy Food Financing Initiatives: New Examples from California and New York*, cohosted by Neighborhood Funders Group and Sustainable Agriculture and Food Systems Funders, January 27
- *The Healthy, Hunger-Free Kids Act: A Briefing for Funders*, February 8
- *The Partnership for a Healthier America: A Briefing for Funders*, June 9
- *The Relationship between Food Access, Food Insecurity, and Obesity*, June 16
- *The Farm Bill and Health*, cosponsored by Sustainable Agriculture and Food Systems Funders, October 11

MATERNAL AND CHILD HEALTH

- *It's Never Too Early to Prevent Childhood Obesity*, March 31
- *Child and Adolescent Health and Health Care Quality*, May 3
- *Preventing Bullying: It Is Time to Take a Stand*, June 22
- *Children in the Vanguard*, December 6

ORAL HEALTH

- *Schools as Venues for Improving Oral Health Care*, March 22
- *Measuring the Impact of Grants and Initiatives: Examples in Oral Health*, August 23

PUBLIC HEALTH

- *Using Data to Improve Community Health*, July 14
- *Promoting the National Prevention Strategy*, October 13

PUBLIC POLICY

- *Adapting to Change in the Political Landscape of State Government*, January 13
- *Exploring the Relationship Between Community Organizing and Health Advocacy*, June 10
- *Medicaid Battles in the States*, cohosted by Grantmakers for Children, Youth, and Families, and Grantmakers Income Security Taskforce, September 15
- *Strengthening Advocacy Capacity in Communities of Color through Coalitions*, September 23
- *Health Funders and Fiscal Policy*, November 7

QUALITY

- *Institute of Medicine Report on the Future of Nursing*, February 1
- *Grantmaking in Complementary and Alternative Medicine*, July 14
- *Children and Integrative Medicine*, September 19

SOCIAL DETERMINANTS OF HEALTH

- *Health, Housing, and Community Development: Aligning Ideas and Priorities*, February 25
- *Weaving Together Prevention, Health Care Delivery, and Community Change*, August 29

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 publications are distributed to GIH Funding Partners and thought leaders in health policy and practice, and are available at www.gih.org.

GIH BULLETIN

Each year, GIH publishes 12 issues of the *GIH Bulletin,* distributed to GIH Funding Partners and others with an interest in health philanthropy. 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 and experts 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:

- "Promoting Family-Centered Care for Children with Special Health Care Needs" by Betsy Anderson, IMPACT Project Director, Family Voices, January 17
- "Creating Common Ground: Working Together for Food Systems Change" by Virginia Clarke, Coordinator, Sustainable Agriculture and Food Systems Funders, May 23
- "Cultivating the Next Generation of Philanthropic Leadership" by Kim Van Pelt, Associate Director-Arizona Health Futures, St. Luke's Health Initiatives; Rachel Wick, Director of Policy, Planning, and Special Projects, Consumer Health Foundation; and Melinda Abrams, Vice President, Patient-Centered Coordinated Care Program, The Commonwealth Fund, May 23
- "Health Insurance Exchange Planning: Philanthropy Leading the Way" by Jill Zorn, Senior Program Officer, Universal Health Care Foundation of Connecticut, June 20
- "Integrating Primary Care and Public Health: Opportunities for Oral Health" by Ralph Fuccillo, President, DentaQuest Foundation, June 20
- "Effective Behavioral Health Funding in an Era of Health Care Reform" by Lynda E. Frost, Director of Planning and Programs, Hogg Foundation for Mental Health, July 18
- "Health Care Reform: Promises and Pitfalls for Maternal and Child Health" by Kathryn Santoro, Director of Maternal and Child Health Policy and Development, National Institute for Health Care Management Foundation, July 18
- "An Unprecedented Health Challenge Working with Border Communities" by Jon Law, Program Officer, Paso del Norte Health Foundation, August 12
- "Disparities in Food Access and in Opportunities for Physical Activity" by Allison F. Bauer, Senior Program Officer, The Boston Foundation, September 19
- "Race to the Top: Is Children's Health in the Running?" by Judith C. Meyers, President and CEO, Children's Fund of Connecticut, September 19
- "Changing Expectations for Care at the End of Life" by Nancy D. Zionts, Chief Program Officer, Jewish Healthcare Foundation, and Chair, Western Pennsylvania Coalition for Quality at End of Life, October 17
- "Grant Agreements and Lobbying" by Abby Levine, Legal Director, Advocacy Programs, Alliance for Justice, October 17
- "Creating Healthier Communities to Reverse Childhood Obesity" by Monica Hobbs Vinluan, Project Director, Healthier Communities Initiatives, YMCA of the USA, and John Govea, Senior Project Officer, Childhood

Obesity Team, Robert Wood Johnson Foundation, November 21

- "Going Beyond Grants to End Health Disparities" by Karen Voci, Executive Director, Harvard Pilgrim Health Care Foundation, and Shani Dowd, Director, Culture InSight, November 21
- "Integrative Medicine: Rethinking Health Care Delivery" by Penny George, President, George Family Foundation, December 19

➤ 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:

- "Making the Connection: Pregnancy and Oral Health," February 21
- "Supporting Children's Healthy Development: Place DOES Matter," March 21
- "Reaching Out to Employers about Health Reform's Potential," April 18
- "Paying (Overdue) Attention to Bullying Prevention," April 18
- "Connecting Kids to Coverage," May 23
- "Prevention: Keystone in the Architecture of Health Reform," June 20
- "Myths and Facts about Complementary and Alternative Medicine," July 18
- "Shedding Light on Maternal Mortality," August 15
- "Covering Children Under the Affordable Care Act: Minding the Gaps," August 15

➤ Grantmaker Focus

Throughout the year, GIH showcases grantmakers and their work through snapshots of their organizations. The following organizations were featured in 2011:

- Central Susquehanna Community Foundation, May 23
- Con Alma Health Foundation, September 19

PUBLICATIONS FROM GIH MEETINGS

For each meeting, GIH strives to create lasting resources that provide valuable information and analysis, and address important issues. These materials are available at www.gih.org.

➤ Creating a Healthier Future for Our Kids, Families, and Communities

Annual Meeting Portfolio | March

- "Creating a Healthier Future for Our Kids, Families, and Communities" (GIH Essay)
- "Creating a Healthier Future for Our Children: A Prevention-Oriented Child Health System" by Debbie Chang, Nemours
- "From Soda Pop to Creating a Healthier Future for Children and Families" by Eugene M. Lewit, The David and Lucile Packard Foundation
- "Reflections on Philanthropy Grounded in Science, Built on Partnerships, and Focused on Results" by Gary D. Nelson, Healthcare Georgia Foundation
- "Strengthening Communities through Micro-Lending: A Journey of Discovery from Mongu to St. Louis" by Bridget McDermott Flood, Incarnate Word Foundation
- "The Obama Administration's Commitment to Creating a Healthier Future for Children and Families" by Mary K. Wakefield, Health Resources and Services Administration

- "Thinking about What's Next" by Sterling K. Speirn, W.K. Kellogg Foundation

OTHER PUBLICATIONS

Guide to Impact Investing | May

SPECIAL PROJECTS

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

F-SIP aims 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 purpose of this project is to facilitate good policy choices that lay the foundation for successful implementation of the ACA. The project, launched in July 2010, is led by Melanie Nathanson of Nathanson & Hauck, with strategic advice from Chris Jennings of Jennings Policy Strategies and Judy Feder of the Urban Institute. GIH manages the overall project. Activities in 2011 include:

- On January 13 and January 20, the F-SIP team brought together researchers, advocates, and funders to meet with federal officials from the White House Office of Health Reform and the Office of the Assistant Secretary for Planning and Evaluation (ASPE) about themes the administration would be highlighting in the coming months; current and future ASPE research projects; and issues on which research, policy analysis, and advocacy assistance would be useful.
- On April 24, the F-SIP team brought together researchers, advocates, and funders to meet with federal officials from the Domestic Policy Council and National Economic Council to discuss research and advocacy efforts related to exploring health care in the context of deficit reduction.
- In May, the F-SIP team brought together researchers, advocates, and funders to meet with federal officials at the White House and Treasury Department to discuss how the rules governing health insurance premium and cost sharing subsidies would affect children and families.
- In July, the F-SIP team worked closely with the leadership team at the National Governors Association (NGA) to think through NGA's strategy for helping non-innovator states prepare for the exchanges.
- On December 20, the F-SIP team brought together researchers, advocates, and funders to meet with federal officials from the White House Office of Health Reform, the Office of the Assistant Secretary for Planning and Evaluation, the Domestic Policy Council, and National Economic Council to discuss preliminary outcomes of the early provisions of the ACA and plans for the rollout of Medicaid expansions and state and federally-facilitated exchanges in 2014.

➤ **GIH State Grant Writing Assistance Fund**

This project, with support from the Robert Wood Johnson Foundation, provided financial assistance to state and local foundations interested in offering grant writing support to county and state government agencies to help implement various aspects of the Affordable Care Act (ACA). Funders were eligible to apply for up to $30,000 with a matching rate of two-to-one. At the time, the fund helped leverage millions of dollars in ACA grants. Grantees for 2011 included: Community Memorial Foundation; Con Alma Health Foundation; Eastern West Virginia Community Foundation; Empire Health Foundation; Foundation for Healthy Kentucky; Foundation for the Mid South; HNH Foundation; Maine Health Access Foundation; The Mt. Sinai Health Care Foundation; New York State Health Foundation; Northwest Health Foundation; Rose Community Foundation; St. Luke's Health Initiative; and Virginia Health Care Foundation.

GRANT MAKERS IN HEALTH

2011 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

The Alaska Mental Health Trust Authority

Allegany Franciscan Ministries

Allegiance Health Foundation

Alliance Healthcare Foundation

Altman Foundation

The Jenifer Altman Foundation

Archstone Foundation

The Assisi Foundation of Memphis, Inc.

The Atlantic Philanthropies

Augusta Health Foundation

Austin-Bailey Health and Wellness Foundation

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

Jacob and Hilda Blaustein Foundation

The Blowitz-Ridgeway Foundation

Blue Cross and Blue Shield of Florida 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 Shield of California Foundation

BlueCross BlueShield of North Carolina Foundation

The Boston Foundation

The Bower Foundation

Brandywine Health Foundation

Bristol-Myers Squibb Foundation

The Morris and Gwendolyn Cafritz 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

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 of Northeast Alabama

Community Health Foundation of Western and Central New York

Community Health Network Foundation

Community Memorial Foundation

Comprehensive Health Education Foundation

Con Alma Health Foundation, Inc.

Cone Health Foundation

Connecticut Health Foundation

Consumer Health Foundation

The Nathan Cummings Foundation

Daughters of Charity Foundation of St. Louis

Deaconess Foundation

de Beaumont Foundation

Ira W. DeCamp Foundation

Delta Dental of Colorado Foundation

Delta Dental of Minnesota Trust

DentaQuest Foundation

The Duke Endowment

Empire Health Foundation

Endowment for Health

EyeSight Foundation of Alabama

Richard M. Fairbanks Foundation, Inc.

Fine Foundation

First Hand Foundation

First Hospital Foundation

Ford Foundation

Foundation for a Healthy Kentucky

Foundation for Community Health

Lloyd A. Fry Foundation

George Family Foundation

The Rosalinde and Arthur Gilbert Foundation

GRACE Communications Foundation

Greater Rochester Health Foundation

Greater Milwaukee 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 Central Massachusetts, Inc.

The Health Foundation of Greater Cincinnati

The Health Foundation of Greater Indianapolis, Inc.

Health Foundation of South Florida

The Health Trust

The Healthcare Foundation of New Jersey

Healthcare Georgia Foundation, Inc.

Healthcare Initiative Foundation

The HealthPath Foundation of Ohio

Lotte and John Hecht Memorial Foundation

Heinz Family Philanthropies

Leona M. and Harry B. Helmsley Charitable Trust

Highmark Foundation

Conrad N. Hilton Foundation

HJW 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 Jasper Foundation

The Jenkins Foundation

Jewish Healthcare Foundation

Johnson & Johnson

Robert Wood Johnson Foundation

K21 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

The Jacob and Valeria Langeloth Foundation

Lower Pearl River Valley Foundation

The Lutheran Foundation

Josiah Macy, Jr. Foundation

Maine Health Access Foundation

Marisla Foundation

Markle Foundation

Mat-Su Health Foundation

The Robert F. and Eleonora W. McCabe Foundation

Ronald McDonald House Charities

McKesson Foundation

Medica Foundation

The Merck Company Foundation

Methodist Healthcare Ministries of South Texas, Inc.

MetLife Foundation

MetroWest Community Health Care Foundation

Metta Fund

Eugene and Agnes E. Meyer Foundation

Mid-Iowa Health Foundation

Milbank Memorial Fund

Missouri Foundation for Health

Gordon and Betty Moore Foundation

Ruth Mott Foundation

The Mt. Sinai Health Care 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

Nokomis Foundation

North Penn Community Health Foundation

Northern Virginia Health Foundation

Northwest Health Foundation

Obici Healthcare Foundation, Inc.

Oklahoma Tobacco Settlement Endowment Trust

Osteopathic Heritage Foundations

Lucile Packard Foundation for Children's Health

The David and Lucile Packard Foundation

Palm Healthcare Foundation

Partners HealthCare
Partners for Health
Paso del Norte Health Foundation
Phoenixville Community Health Foundation
Piedmont Health Care Foundation
The Dorothy Rider Pool Health Care Trust
Portsmouth General Hospital Foundation
Potomac Health Foundation
Pottstown Area Health and Wellness Foundation
Prime Health Foundation
Public Welfare Foundation
Quantum Foundation
John Randolph Foundation
The Rapides Foundation
RCHN Community Health Foundation
REACH Healthcare Foundation
Michael Reese Health Trust
The Regence Foundation
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
Roche
The Rockefeller Foundation
Rockwell Fund, Inc.
Rose Community Foundation
St. Joseph Community Health Foundation
St. Luke's Episcopal Health Charities
Saint Luke's Foundation of Cleveland, Ohio
St. Luke's Health Initiatives
Salem Health and Wellness Foundation
Samueli Foundation
The San Francisco Foundation
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: Health Care for Kansans
Doree Taylor Charitable Foundation
Tides Foundation
Tufts Health Plan
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
Westlake Health Foundation
Williamsburg Community Health Foundation
Winter Park Health Foundation
Wyandotte Health Foundation

2011 ANNUAL REPORT

GRANT MAKERS IN HEALTH

BOARD OF DIRECTORS

CHAIR
James R. Kimmey, M.D., M.P.H.
Missouri Foundation for Health

VICE CHAIR
Ann F. Monroe
Community Health Foundation of Western and Central New York

SECRETARY
Sam Karp
California HealthCare Foundation

TREASURER
Philip Belcher, M.Div., J.D.
Mary Black Foundation

MEMBER-AT-LARGE
Gail C. Christopher, D.N.
W.K. Kellogg Foundation

PRESIDENT
Lauren LeRoy, Ph.D.
Grantmakers In Health

Fatima Angeles, M.P.H.
The California Wellness Foundation

Raymond J. Baxter, Ph.D.
Kaiser Permanente

Anne C. Beal, M.D., M.P.H.
Aetna Foundation, Inc.

Debbie I. Chang, M.P.H.
Nemours

Bruce A. Chernof, M.D.
The SCAN Foundation

Thomas G. David, Ph.D.
Tides

David Gould, Ph.D.
United Hospital Fund

Billie Hall
Sunflower Foundation

Robert Hughes, Ph.D.
Rutgers University

Len McNally
The New York Community Trust

Robert K. Ross, M.D.
The California Endowment

Diane Rowland, Sc.D.
The Henry J. Kaiser Family Foundation

Anne Warhover
The Colorado Health Foundation

Betty H. Wilson
The Health Foundation of Greater Indianapolis, Inc.

Wendy J. Wolf, M.D., M.P.H.
Maine Health Access Foundation

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 Advisor

Anna C. Spencer, M.P.H.
Senior Program Associate

Alicia L. Thomas, M.H.S.
Senior Program Associate

Katherine Treanor, M.S.W.
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

Sandy Perez
Program Assistant

Sarah Tulley
Administrative Assistant

GRANT MAKERS IN HEALTH

2011

INDEPENDENT AUDITORS' REPORT

CONTENTS

SARFINOANDRHOADES, 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, 2011 and 2010, 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, 2011 and 2010, and the changes in its net assets 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 20, 2012

GRANTMAKERS IN HEALTH

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31, 2011	DECEMBER 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Notes 1 and 9)	$ 2,388,477	$ 1,889,421
Pledges receivable - current portion (Note 2)	558,732	857,891
Prepaid expenses and other	11,440	23,746
TOTAL CURRENT ASSETS	$ 2,958,649	$ 2,771,058
OTHER ASSETS:		
Investments (Notes 1, 3 and 4)	$ 2,060,433	$ 2,152,201
Deposit	15,155	15,155
Pledges receivable - non current portion (Note 2)	9,520	364,151
TOTAL OTHER ASSETS	$ 2,085,108	$ 2,531,507
PROPERTY AND EQUIPMENT, net (Notes 1 and 5)	$ 111,242	$ 45,980
TOTAL ASSETS	$ 5,154,999	$ 5,348,545
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 124,923	$ 73,182
Deferred lease obligation - current portion (Note 6)	17,799	15,511
Capital lease obligation - current portion (Note 6)	2,531	2,362
Deferred revenue - annual meeting (Note 1)	50,525	78,665
TOTAL CURRENT LIABILITIES	$ 195,778	$ 169,720
LONG-TERM LIABILITIES:		
Deferred lease obligation - long-term (Note 6)	$ -	$ 17,799
Deferred compensation (Note 10)	47,538	32,864
Capital lease obligation - long-term (Note 6)	5,369	7,900
TOTAL LONG-TERM LIABILITIES	$ 52,907	$ 58,563
COMMITMENTS (Note 6)		
NET ASSETS: (Notes 1, 7 and 8)		
Unrestricted:		
Undesignated	$ 704,672	$ 195,075
Board designated	2,017,760	2,128,515
Subtotals	$ 2,722,432	$ 2,323,590
Temporarily restricted	2,183,882	2,796,672
TOTAL NET ASSETS	$ 4,906,314	$ 5,120,262
TOTAL LIABILITIES AND NET ASSETS	$ 5,154,999	$ 5,348,545

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

GRANTMAKERS IN HEALTH

STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED DECEMBER 31,					
	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Grants and contributions (Notes 1, 2 and 11)	$ 1,229,043	$ 1,866,870	$ 3,095,913	$ 1,161,114	$ 3,207,984	$ 4,369,098
Registration fees and other	451,540	-	451,540	358,070	-	358,070
Interest and dividend income	75,771	-	75,771	61,046	-	61,046
Net realized and unrealized gain (loss) on investments (Note 1)	(169,102)	-	(169,102)	198,558	-	198,558
Net assets released from restrictions	2,479,660	(2,479,660)	-	2,228,994	(2,228,994)	-
TOTAL SUPPORT AND REVENUES	$ 4,066,912	$ (612,790)	$ 3,454,122	$ 4,007,782	$ 978,990	$ 4,986,772
EXPENSES:						
Programs (Note 12)	$ 2,971,959	$ -	$ 2,971,959	$ 2,666,881	$ -	2,666,881
General and administrative	634,616	-	634,616	626,282	-	626,282
Fundraising	61,495	-	61,495	89,663	-	89,663
TOTAL EXPENSES	$ 3,668,070	$ -	$ 3,668,070	$ 3,382,826	$ -	$ 3,382,826
CHANGES IN NET ASSETS	$ 398,842	$ (612,790)	$ (213,948)	$ 624,956	$ 978,990	$ 1,603,946
NET ASSETS, BEGINNING OF YEAR	2,323,590	2,796,672	5,120,262	1,698,634	1,817,682	3,516,316
NET ASSETS, END OF YEAR	$ 2,722,432	$ 2,183,882	$ 4,906,314	$ 2,323,590	$ 2,796,672	$ 5,120,262

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

GRANTMAKERS IN HEALTH

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors and registrants	$ 4,173,103	$ 4,289,715
Cash paid to suppliers and employees	(3,582,176)	(3,345,383)
Interest and dividends received	75,771	61,046
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 666,698	$ 1,005,378
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	$ 88,106	$ 727,650
Purchases of investments	(165,439)	(785,788)
Purchases of property and equipment	(87,947)	(9,953)
NET CASH USED IN INVESTING ACTIVITIES	$ (165,280)	$ (68,091)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Curtailment of capital lease obligations	$ (2,362)	$ (2,382)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ 499,056	$ 934,905
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,889,421	954,516
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,388,477	$ 1,889,421
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	$ (213,948)	$ 1,603,946
Reconciliation adjustments:		
Depreciation and amortization	22,684	21,839
Net realized and unrealized losses (gains) on investments	169,102	(198,558)
Changes in assets and liabilities:		
Pledges receivable	653,790	(436,533)
Prepaid expenses and other	12,306	(7,105)
Accounts payable and accrued expenses	51,741	17,670
Deferred revenue - annual meeting	(28,140)	(920)
Deferred lease obligation	(15,511)	(11,325)
Deferred compensation	14,674	16,364
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 666,698	$ 1,005,378

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

GRANTMAKERS IN HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

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, 2011 and 2010, 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. Pledges receivable for unrestricted purposes at year-end are considered temporarily restricted until collected.

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.

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, 2011 and 2010. The Organization's federal information returns (Form 990, Return of Organization Exempt from Income Tax) are not subject to examination by the IRS for the years ended December 31, 2007 and prior.

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 2011, the Organization collected $806,057 of pledges which had been recognized as support in prior years. Conversely, $152,267 of pledges recognized as support in 2011 are expected to be collected during the calendar years 2012 and 2013.

During 2010 the Organization was awarded four conditional multi-year grants from foundations. The total of these awards were $1,980,000, of which $1,286,875 was recognized as revenue through 2011 with the balance to be recognized in future periods upon continued approvals by the foundations. During 2011, the Organization was awarded a four-year conditional grant by a foundation totaling $675,261, of which $100,420 has been recognized as support in 2011. Receipt of the remaining balance is conditional upon continued approvals by the foundation.

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

Total unconditional promises to give were as follows at December 31, 2011 and 2010:

	2011	2010
Receivable in less than one year	$ 558,732	$ 857,891
Receivable in one to five years:		
Total long-term pledges receivable	$ 10,297	$ 394,262
Less, discount to net present value	777	30,111
Net long-term pledges receivable	$ 9,520	$ 364,151
Total pledges receivable	$ 568,252	$ 1,222,042

Note 3. **Investments** - The fair values and aggregate costs of investments as of December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Fair value:		
Mutual funds	$ 1,830,610	$ 1,915,476
Equities	229,823	236,725
Totals	$ 2,060,433	$ 2,152,201
Aggregate cost	$ 2,184,193	$ 2,089,769

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 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.

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

- 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:

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, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds - bonds and equities	$ 1,830,610	$ -	$ -	$ 1,830,610
Common stocks	229,823	-	-	229,823
Totals	$ 2,060,433	$ -	$ -	$ 2,060,433

	Assets at fair value at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds - bonds and equities	$ 1,915,476	$ -	$ -	$ 1,915,476
Common stocks	236,725	-	-	236,725
Totals	$ 2,152,201	$ -	$ -	$ 2,152,201

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

	2011	2010
Capitalized software costs	$ 138,186	$ 249,069
Furniture and equipment	78,676	72,729
Leasehold improvements	19,173	19,173
Total property and equipment	$ 236,035	$ 340,971
Less, Accumulated depreciation and amortizaton	124,793	294,991
Net property and equipment	$ 111,242	$ 45,980

Depreciation and amortization expense for the years ended December 31, 2011 and 2010 amounted to $22,684 and $21,839, 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 rent increases based on operating expenses and real estate taxes. Total rent expense under the office lease for the years ended December 31, 2011 and 2010 was $239,194 and $239,510, respectively.

The Organization leases office equipment under non-cancelable operating leases expiring in 2015. Total rent expense for equipment leases for the years ended December 31, 2011 and 2010 was $30,448 and $31,793, respectively.

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

Year ending December 31,	Office Lease	Equipment Leases	Total
2012	$ 237,534	$ 13,200	$ 250,734
2013	-	13,200	13,200
2014	-	13,200	13,200
2015	-	2,200	2,200
Totals	$ 237,534	$ 41,800	$ 279,334

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, 2011. The net book value of equipment under the capital lease as of December 31, 2011 is $6,954.

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

Year ending December 31,	
2012	$ 3,000
2013	3,000
2014	2,750
Total minimum lease payments	$ 8,750
Less, amount representing interest	850
Present Value of Net Minimum Lease Payments	$ 7,900

Maturities of capital lease obligation for the years ending December 31, 2012 through 2014 are $2,531, $2,713 and $2,656, respectively.

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

The Organization has entered into agreements with hotels relating to meetings in 2012 and 2013. 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.

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

	2011	2010
Health Reform Resource Center Fund	$ 537,662	$ 422,335
Strengthening Capacity for Health Philanthropy	287,000	400,000
Data Resource Center	282,000	547,000
Healthy Eating Active Living/HEAL	170,000	90,000
Wellness Core Capacity	165,882	259,725
State Grant Writing Assistance Fund	110,000	400,000
Funders Network on Oral Health	85,000	60,113
Foundations and Health Reform	80,100	-
Federal-State Implementation Project/F-SIP	80,000	273,550
Pledges Receivable - Operations	79,500	50,500
Disparities/NAHE	64,810	11,250
Policy Programs	54,810	32,500
Children's Health	47,000	-
National Poverty Project	39,300	63,000
Funders Network on Mental Health	24,113	31,250
GIH/MCHB Partnership	22,768	6,428
Complementary and Alternative Medicine	22,000	49,000
Children's Access and Coverage	17,737	77,400
Social Determinants of Health/SDOH	11,200	-
Annual Meeting	3,000	2,500
Meeting Basic Needs	-	18,121
Future Issue Dialogues/Meetings	-	2,000
Totals	$ 2,183,882	$ 2,796,672

Note 8. **Board-designated Endowment** - As of December 31, 2011 and 2010, the Board of Directors had designated $2,017,760 and $2,128,515 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

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

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. 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 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:

	2011	2010
Balance, beginning of year	$ 2,128,515	$ 1,884,513
Interest and dividends	75,017	60,724
Realized and unrealized gains (losses)	(168,787)	198,559
Investment expense	(16,985)	(15,281)
Balance, end of year	$ 2,017,760	$ 2,128,515

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. Cash balances with commercial banks are covered by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. The money market fund held by a brokerage firm is not insured by FDIC. The Organization believes it is not exposed to a significant risk on its cash accounts and money market fund.

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, 2011 and 2010 were $152,759 and $163,951, 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 contributions to the plan for the years ended December 31, 2011 and 2010 were $16,500 and $14,696, 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. Revenue was recognized as the funds were expended. Revenue recognized from the grant for the year ended December 31, 2010 was $178,006.

The Organization was awarded a three-year grant by the Department of Health and Human Services in the amount of $350,000 per year during the award period of February 1, 2011 through January 31, 2014. Revenue is recognized when the funds are expended. Revenue recognized from the grant for the year ended December 31, 2011 was $217,463.

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

	2011	2010
Annual Meetings	$ 452,282	$ 541,682
Other Programs	428,318	803,413
Health Reform Resource Center Fund	310,940	103,255
State Grant Writing Assistance Fund	299,597	8,226
Support Center	243,175	63,977
F-SIP	240,593	352,805
Access and Coverage	213,664	120,692
GIH/MCHB Partnership Initiative	180,344	112,769
Healthy Eating Active Living	130,860	63,329
Disparities/NAHE	121,615	33,826
Data Resource Center	117,916	238,509
Website	84,101	104,813
GIH Bulletin	74,960	90,874
Fall Forum	73,594	28,711
Totals	$ 2,971,959	$ 2,666,881

Note 13. **Reclassifications** - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Note 14. **Subsequent Events** - In preparation of these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 20, 2012, which is the date the financial statements were available to be issued.