Financial Statements

For the Years Ended December 31, 2014 and 2013

and
Report Thereon

Raffa

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Grantmakers In Health

Report on the Financial Statements

We have audited the accompanying financial statements of Grantmakers In Health (the Organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Raffa, P.C.

Raffa, P.C.

Washington, DC
March 19, 2015

GRANTMAKERS IN HEALTH

STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	$ 875,379	$ 972,699
Certificates of deposit	749,535	749,525
Pledges receivable - current portion	1,253,601	1,195,154
Prepaid expenses and other	1,000	33,231
Total Current Assets	2,879,515	2,950,609
Investments	2,781,156	2,691,903
Deposits	15,155	15,155
Pledges receivable - non-current portion	400,000	1,067,121
Property and equipment, net	51,747	74,962
TOTAL ASSETS	$ 6,127,573	$ 6,799,750
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 65,411	$ 40,028
Capital lease obligation	-	2,656
Deferred revenue - annual meeting	83,550	68,595
Total Current Liabilities	148,961	111,279
Deferred compensation	49,250	60,912
Deferred rent	28,042	14,799
TOTAL LIABILITIES	226,253	186,990
Net Assets		
Unrestricted		
Undesignated	1,285,725	1,187,641
Board designated	2,758,981	2,661,967
Total Unrestricted	4,044,706	3,849,608
Temporarily restricted	1,856,614	2,763,152
TOTAL NET ASSETS	5,901,320	6,612,760
TOTAL LIABILITIES AND NET ASSETS	$ 6,127,573	$ 6,799,750

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

GRANTMAKERS IN HEALTH

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Grants and contributions	$ 1,183,382	$ 1,239,336	$ 2,422,718	$ 1,315,454	$ 2,564,113	$ 3,879,567
Registration fees	343,440	-	343,440	421,650	-	421,650
Interest and dividend income	177,427	-	177,427	101,951	-	101,951
Net realized and unrealized (losses) gains on investments	(54,292)	-	(54,292)	290,148	-	290,148
Miscellaneous income	4,429	-	4,429	11,791	-	11,791
Net assets released from restrictions:						
Satisfaction of program restrictions	2,036,454	(2,036,454)	-	2,229,077	(2,229,077)	-
Satisfaction of time restrictions	109,420	(109,420)	-	103,833	(103,833)	-
TOTAL REVENUE AND SUPPORT	3,800,260	(906,538)	2,893,722	4,473,904	231,203	4,705,107
EXPENSES						
Programs	2,847,293	-	2,847,293	2,967,143	-	2,967,143
General and administrative	657,251	-	657,251	577,881	-	577,881
Fundraising	100,618	-	100,618	75,995	-	75,995
TOTAL EXPENSES	3,605,162	-	3,605,162	3,621,019	-	3,621,019
CHANGE IN NET ASSETS	195,098	(906,538)	(711,440)	852,885	231,203	1,084,088
NET ASSETS, BEGINNING OF YEAR	3,849,608	2,763,152	6,612,760	2,996,723	2,531,949	5,528,672
NET ASSETS, END OF YEAR	$ 4,044,706	$ 1,856,614	$ 5,901,320	$ 3,849,608	$ 2,763,152	$ 6,612,760

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

GRANTMAKERS IN HEALTH

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013
Increase (Decrease) in Cash and Cash Equivalents

	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from contributors and registrants	$ 3,394,216	$ 3,149,377
Cash paid to suppliers and employees	(3,518,762)	(3,732,738)
Interests and dividends received	177,427	101,951
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	52,881	(481,410)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	1,036,692	1,135,162
Purchases of investments	(1,180,247)	(1,447,901)
Purchases of property and equipment	(3,990)	(9,970)
NET CASH USED IN INVESTING ACTIVITIES	(147,545)	(322,709)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligations	(2,656)	(2,713)
NET CASH USED IN FINANCING ACTIVITIES	(2,656)	(2,713)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(97,320)	(806,832)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	972,699	1,779,531
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 875,379	$ 972,699
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ (711,440)	$ 1,084,088
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	27,205	27,963
Net realized and unrealized losses (gains) on investments	54,292	(290,148)
Changes in assets and liabilities:		
Pledges receivable	608,674	(1,221,483)
Prepaid expenses and other	32,231	(28,231)
Accounts payable and accrued expenses	25,383	(53,403)
Deferred revenue - annual meeting	14,955	(4,005)
Deferred compensation	(11,662)	(9,852)
Deferred rent	13,243	13,661
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 52,881	$ (481,410)

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

1. The Organization and Summary of Significant Accounting Policies

The Organization

Grantmakers In Health (the Organization) is an educational organization serving trustees and staff of foundations and corporate giving programs. The Organization's 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. These activities are funded primarily through grants and contributions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Consequently, revenues and expenses are recognized and recorded when earned or incurred.

Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments consist of mutual funds, equity securities, exchange-traded funds, certificates of deposit with an original maturity of three months or more and cash held for investment purposes. These investments are recorded in the accompanying statements of financial position at their estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For disclosure of the inputs used to measure fair value and related valuation techniques see Note 4. Interest and dividend income is recorded as earned. Unrealized gains or losses are determined by comparison of cost to fair value at the beginning and end of the reporting period. Realized gains or losses on sales of investments are recorded on the trade date of the transactions.

Fair Value of Financial Instruments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and requires disclosures about fair value measurements for assets and liabilities measured at fair value on a recurring basis. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant

Continued

1. The Organization and Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

The three levels of the fair value hierarchy are described as follows:

> *Level 1* – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
>
> *Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
>
> *Level 3* – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of December 31, 2014 and 2013, the Organization's assets that are measured at fair value on a recurring basis are described in Note 4 of these financial statements.

Pledges Receivable

Pledges receivable are stated at their estimated net realizable value. Pledges receivable that are past due are individually analyzed for collectability. The Organization considers pledges receivable to be fully collectible and accordingly no allowance for uncollectible pledges has been recorded for the years ended December 31, 2014 and 2013.

Property and Equipment and Related Depreciation and Amortization

Property and equipment in excess of $500 are capitalized and stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Depreciation and amortization are provided over the estimated useful lives of the related assets, generally three to ten years. Costs incurred in the development of software for internal use are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the application development stage of software development are capitalized. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization and any gain or loss is reflected in revenue and support or expenses in the accompanying statements of activities.

Continued

1. The Organization and Summary of Significant Accounting Policies (continued)

Classification of Net Assets

The net assets of the Organization are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Organization's operations. Board designated net assets represent a portion of unrestricted net assets designated as a reserve fund. The reserve fund was established for the purpose of generating a steady source of income to support the Organization's operations.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for various purposes or for use in future time periods.

Revenue Recognition

The Organization recognizes all unconditional contributed support in the period in which the commitment is made. Grants and contributions are considered unrestricted revenue and support and available for general operations unless specifically restricted by the donor. The Organization reports grants of cash and other assets as temporarily restricted revenue and support if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Donor-restricted grants and contributions whose restrictions are met in the same reporting period are reported as unrestricted revenue. Revenue recognized on grants and contributions that have been committed to the Organization, but have not been received, is reflected as part of the pledges receivable in the accompanying statements of financial position. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at their present value using appropriate discount rates. Amortization of the discount is recorded as additional contribution revenue and is used in accordance with donor-imposed restrictions, if any, on the contributions.

Conditional promises to give are not included as revenue and support until such time as the conditions are substantially met.

Registration fees received for the annual meeting are recognized as revenue in the year in which the annual meeting is held. Accordingly, revenue related to the annual meeting received in advance is recorded as deferred revenue in the accompanying statements of financial position. Expenses paid in advance are recorded as prepaid expenses in the accompanying statements of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate.

Continued

1. The Organization and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Pledges Receivable

Pledges receivable represent unconditional promises to give and are recorded at net realizable value. As of December 31, 2014 and 2013, the Organization's pledges receivable are due to be received as follows:

	2014	2013
Due in less than one year	$ 1,253,601	$ 1,195,154
Due in one to five years	400,000	1,067,121
Total Pledges Receivable	$ 1,653,601	$ 2,262,275

In 2014 and 2013, the pledges receivable were not discounted to present value as the amount of the discount was determined by management to be not material to the financial statements. All amounts are deemed 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 year. During 2014, the Organization collected $1,158,176 of pledges which had been recognized as support in prior years. Conversely, $489,864 of pledges recognized as support in 2014 are expected to be collected during the calendar year 2015. During 2013, the Organization collected $407,374 of pledges which had been recognized as support in prior years. Conversely, $1,628,857 of pledges recognized as support in 2013 are expected to be collected during the calendar years 2014, 2015 and 2016.

3. Investments and Certificates of Deposit

As of December 31, 2014 and 2013, investments, including the investments related to the deferred compensation plan and certificates of deposit, stated at fair value, consisted of the following:

	2014	2013
Mutual funds	$ 2,085,144	$ 2,031,745
Certificates of deposit	749,535	749,525
Equity securities	589,896	553,999
Exchange-traded funds	105,893	106,019
Interest-bearing cash deposits	223	140
Total Investments and Certificates of Deposit	$ 3,530,691	$ 3,441,428

Continued

3. Investments and Certificates of Deposit (continued)

For the years ended December 31, 2014 and 2013, investment fees incurred were $23,055 and $20,265, respectively, and are included in general and administrative expenses in the accompanying statements of activities.

Investment income is summarized as follows for the years ended December 31, 2014 and 2013:

	2014	2013
Interest and dividends	$ 177,427	$ 101,951
Unrealized gains (losses)	(103,596)	219,970
Realized gains	49,304	70,178
Total	$ 123,135	$ 392,099

4. Fair Value Measurements

The following tables summarize the Organization's assets measured at fair value on a recurring basis, aggregated by the fair value hierarchy level with which those measurements were made, for the years ended December 31:

	2014			
	Total	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Mutual funds:				
Capital appreciation	$ 354,764	$ 354,764	$ -	$ -
Europacific growth	190,318	190,318	-	-
Global asset allocation	661,087	661,087	-	-
Fixed income	829,948	829,948	-	-
Certificates of deposit	749,535	-	749,535	-
Equity securities:				
Large cap value	307,591	307,591	-	-
Large cap growth	282,305	282,305	-	-
Exchange-traded funds				
Emerging markets	105,893	105,893	-	-
457 (b) plan assets				
Mutual funds	49,027	49,027	-	-
Interest-bearing cash deposits	223	223	-	-
Total Assets	$ 3,530,691	$ 2,781,156	$ 749,535	$ -

Continued

4. Fair Value Measurements (continued)

	2013			
	Total	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Mutual funds:				
Capital appreciation	$ 329,434	$ 329,434	$ -	$ -
Europacific growth	195,013	195,013	-	-
Global asset allocation	629,337	629,337	-	-
Fixed income	817,190	817,190	-	-
Certificates of deposit	749,525	-	749,525	-
Equity securities:				
Large cap value	294,536	294,536	-	-
Large cap growth	259,463	259,463	-	-
Exchange-traded funds				
Emerging markets	106,019	106,019	-	-
457 (b) plan assets				
Mutual funds	60,771	60,771	-	-
Interest-bearing cash deposits	140	140	-	-
Total Assets	$ 3,441,428	$ 2,691,903	$ 749,525	$ -

The Organization used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Mutual funds, equity securities and exchange traded funds – Valued at quoted market prices for identical assets in active markets.

Certificates of deposit – Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable characteristics.

Interest-bearing cash deposits – The carrying value of interest-bearing cash deposits approximates fair value as the cash earns interest at prevailing market interest rates.

Continued

5. Property and Equipment

The Organization's property and equipment consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Capitalized software costs	$ 84,586	$ 84,586
Furniture and equipment	66,303	62,313
Leasehold improvements	19,173	19,173
Total Property and Equipment	170,062	166,072
Less: Accumulated Depreciation and Amortization	(118,315)	(91,110)
Property and Equipment, Net	$ 51,747	$ 74,962

Depreciation and amortization expense totaled $27,205 and $27,963, respectively, for the years ended December 31, 2014 and 2013.

6. Commitments and Risk

Operating Lease

The Organization leases office space under a noncancelable operating lease which expires on November 30, 2020. The lease calls for monthly payments of $20,980 in the first and second year, with annual increases thereafter equal to 2% of the previous year's payment for the remainder of the lease. The Organization is also required to pay its pro rata share of the increases in real estate taxes and operating expenses. Under accounting principles generally accepted in the United States of America, all fixed rent increases are recognized on a straight-line basis over the term of the lease. The difference between the required cash payments for rent and the rent expense is reflected as deferred rent in the accompanying statements of financial position. Total rent expense under the office lease for the years ended December 31, 2014 and 2013 was $265,803 and $265,417, respectively.

The Organization leases office equipment under non-cancellable operating leases expiring in 2016. Total rent expense for equipment leases for the years ended December 31, 2014 and 2013 was $21,126 and $25,142, respectively.

6. Commitments and Risk (continued)

Operating Lease (continued)

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

For the Year Ending December 31	
2015	$ 262,606
2016	262,876
2017	267,592
2018	272,955
2019	278,428
Thereafter	259,911
Total	$ 1,604,368

Hotel Commitments

The Organization has entered into agreements with several hotels to provide conference facilities and room accommodations for its annual meeting and other meetings through March 2015. The agreements contain various clauses whereby the Organization is liable for liquidated damages in the event of cancellation or lower than anticipated attendance. The Organization's management does not believe that any losses will be incurred under these contracts. Accordingly, no amount for this potential liability has been reflected in the accompanying financial statements.

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with commercial financial institution which aggregate balance may exceed at times the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of December 31, 2014 and 2013, the amount exceeding the FDIC insured amount totaled approximately $99,000 and $68,000, respectively. The Organization monitors the credit worthiness of this institution and has not experienced any historical credit losses on its cash and cash equivalents.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of the following at December 31, 2014 and 2013:

	2014	2013
Program Restricted:		
Strengthening Capacity for Health Philanthropy	$ 766,700	$ 1,166,667
Data Resource Center	267,814	557,814
Federal State Implementation Project/F-SIP	215,652	142,615
Healthy Eating Active Living/HEAL	153,746	-
Bridging Traditional and Nontraditional Funders	130,213	-

Continued

7. Temporarily Restricted Net Assets (continued)

	2014	2013
Program Restricted (continued):		
Funder Meetings in Kidswell States	$ 91,626	$ 180,639
Lauren LeRoy Lecture Series	45,000	50,000
Terrence Keenan Institute	32,325	-
Health Reform Research Center Fund	30,399	110,000
Behavioral Health	22,892	47,582
Aging	18,365	-
Social Determinants of Health	3,645	-
Health and Social Media	2,237	40,000
Wellness Core Capacity	-	155,000
Health Mapping Publication	-	52,100
Equity	-	42,057
Population Health	-	32,654
Outreach and Enrollment Learning Communities	-	22,154
Children's Access and Coverage	-	20,243
Research Project	-	17,000
HRSA/GIH/MCHB Partnership Initiative	-	12,207
Time Restricted:		
For use in future periods	76,000	114,420
Total	$ 1,856,614	$ 2,763,152

8. Board-designated Endowment

Endowment Funds

The Organization's endowment consists of funds internally designated by the Board of Directors to function as an endowment fund to support the mission of the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2014 and 2013, the Board designated endowment was $2,758,981 and $2,661,967, respectively.

For the year ended December 31, 2014 and 2013, the Board designated endowment funds had the following activities:

	2014	2013
Balance, beginning of year	$ 2,661,967	$ 2,290,133
Interest and dividends	174,361	101,951
Realized and unrealized gains	(54,292)	290,148
Investment expenses	(23,055)	(20,265)
Balance, end of year	$ 2,758,981	$ 2,661,967

Continued

8. Board-designated Endowment (continued)

Investment Objectives and Risk Parameters

The Organization's objective is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. 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 the Board designated 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.

Strategies Employed for Achieving Objectives

To achieve the investment objectives, 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 Board designated 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.

Spending Policy

The President and Chief Executive Officer (CEO) of the Organization 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 the Board designated endowment fund to grow. This is consistent with the Organization's objective to maintain the purchasing power of the Board designated endowment assets as well as to provide additional real growth through investment return.

9. Pension Plan

The Organization sponsors 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 15% of compensation. Contributions to the plan for the years ended December 31, 2014 and 2013 were $143,687 and $132,161, respectively.

The Organization also maintains a deferred compensation plan under Internal Revenue Code Section 457(b) for the Organization's President and CEO. There were no contributions made to the plan for the years ended 2014 and 2013.

Continued

10. Program Expenses

Program expenses were related to the following activities for the years ended December 31:

	2014	2013
Annual Meetings	$ 689,430	$ 719,182
Health Reform Resource Center Fund	265,482	369,107
Other Programs	266,177	274,262
Strengthening Capacity for Health Philanthropy	246,732	266,845
Federal-State Implementation Project/F-SIP	236,674	190,506
Foundation and Health Reform	157,316	96,155
Data Resource Center	149,747	112,786
Public Policy	134,503	146,708
Healthy Eating Active Living/HEAL	109,432	245,742
Behavioral Health	100,574	128,821
Equity	99,802	130,953
Website	82,650	59,678
HRSA/GIH/MCHB Partnership Initiative	69,965	125,496
GIH Bulletin	66,261	53,341
PCORI	65,023	-
Population Health	54,208	-
Fall Forum/Lauren LeRoy Lecture Series	53,317	47,561
Total	$ 2,847,293	$ 2,967,143

11. Income Taxes

The Organization is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended December 31, 2014 and 2013, as the Organization had no net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the years ended December 31, 2014 and 2013, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2014, the statute of limitations for tax years 2011 through 2013 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2014 and 2013, the Organization had no accruals for interest and/or penalties.

Continued

12. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 19, 2015, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.