Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ **Information about Form 990-PF and its instructions is at *www.irs.gov/form990pf*.**

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014, or tax year beginning 07-01-2014 , and ending 06-30-2015

Name of foundation
HEALTHCARE INITIATIVE FOUNDATION

% COUNCILORBUCHANAN & MITCHEL

Number and street (or P O box number if mail is not delivered to street address) 7910 WOODMONT AVENUE SUITE 500 | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
BETHESDA, MD 20814

A Employer identification number
23-7324576

B Telephone number (see instructions)
(301) 907-9144

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 33,316,036

J Accounting method ☐ Cash ☑ Accrual
☐ Other (specify) ____
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	0			
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	1,161,988	1,161,988		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	308,636			
	b	Gross sales price for all assets on line 6a 1,825,000				
	7	Capital gain net income (from Part IV, line 2)		308,636		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	1,470,624	1,470,624		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	150,322	5,059		140,846
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits	30,740	1,035		30,254
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	75,043	7,316	0	71,871
	c	Other professional fees (attach schedule)	3,360			1,670
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	16,198			
	19	Depreciation (attach schedule) and depletion	360			
	20	Occupancy				
	21	Travel, conferences, and meetings	11,294			10,902
	22	Printing and publications				
	23	Other expenses (attach schedule)	42,537	113		42,192
	24	**Total operating and administrative expenses.** Add lines 13 through 23	329,854	13,523	0	297,735
	25	Contributions, gifts, grants paid	1,538,293			1,276,635
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,868,147	13,523	0	1,574,370
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-397,523			
	b	**Net investment income** (if negative, enter -0-)		1,457,101		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	51,041	160,638	160,638
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ 63,109			
		Less allowance for doubtful accounts ▶		63,109	63,109
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	2,436	5,756	5,756
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	31,252,237	30,897,745	32,917,182
	14	Land, buildings, and equipment basis ▶ 4,115			
		Less accumulated depreciation (attach schedule) ▶ 3,167	1,308	948	948
	15	Other assets (describe ▶)	170,738	104,128	168,403
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	31,477,760	31,232,324	33,316,036
Liabilities	17	Accounts payable and accrued expenses	22,091	24,126	
	18	Grants payable	208,131	469,789	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)	151,995	40,389	
	23	**Total liabilities** (add lines 17 through 22)	382,217	534,304	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☑ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	30,991,415	30,593,892	
	25	Temporarily restricted	104,128	104,128	
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	31,095,543	30,698,020	
	31	**Total liabilities and net assets/fund balances** (see instructions)	31,477,760	31,232,324	

Part III **Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	31,095,543
2	Enter amount from Part I, line 27a	2	-397,523
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	30,698,020
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	30,698,020

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	PUBLICLY-TRADED SECURITIES	D		
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,825,000		1,516,364	308,636
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a				308,636
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	308,636
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2013	953,642	32,037,442	0 029766
2012	26,414,387	35,268,663	0 748948
2011			
2010			
2009			

2	**Total** of line 1, column (d).	2	0 778714
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 389357
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5.	4	33,333,374
5	Multiply line 4 by line 3.	5	12,978,583
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	14,571
7	Add lines 5 and 6.	7	12,993,154
8	Enter qualifying distributions from Part XII, line 4.	8	1,574,370

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	29,142
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	
3	Add lines 1 and 2			3	29,142
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	29,142
6	Credits/Payments				
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	92,250		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	92,250
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	63,108
11	Enter the amount of line 10 to be **Credited to 2015 estimated tax** ▶ 30,000 **Refunded** ▶			11	33,108

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MD			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		No

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶WWW HIFMC ORG

14 The books are in care of ▶COUNCILORBUCHANAN & MITCHELL Telephone no ▶(301) 986-0600

Located at ▶7910 WOODMONT AVE SUITE 500 BETHESDA MD ZIP+4 ▶208143048

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here . . . ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year . . . ▶ | 15 |

			Yes	No
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ **Yes** ☑ **No**			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ **Yes** ☑ **No**			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ **Yes** ☑ **No**			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ **Yes** ☐ **No**			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ **Yes** ☑ **No**			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ **Yes** ☑ **No**			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ **Yes** ☑ **No**			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		No
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ **Yes** ☑ **No**			
b	If "Yes," did it have excess business holdings in 2014 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		No

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
Total number of other employees paid over $50,000 ▶				0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
COUNCILOR BUCHANAN & MITCHELL PC 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	ACCOUNTING	59,287
Total number of others receiving over $50,000 for professional services. . . . . ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 . . . . ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	33,353,818
b	Average of monthly cash balances	1b	248,955
c	Fair market value of all other assets (see instructions)	1c	238,216
d	**Total** (add lines 1a, b, and c)	1d	33,840,989
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	33,840,989
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	507,615
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	33,333,374
6	**Minimum investment return.** Enter 5% of line 5	6	1,666,669

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	1,666,669
2a	Tax on investment income for 2014 from Part VI, line 5	2a	29,142		
b	Income tax for 2014 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	29,142
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,637,527
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,637,527
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	1,637,527

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	1,574,370
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,574,370
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,574,370

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7					1,637,527
2 Undistributed income, if any, as of the end of 2014					
a Enter amount for 2013 only.				0	
b Total for prior years 2012 , 2011 , 2010			0		
3 Excess distributions carryover, if any, to 2014					
a From 2009.					
b From 2010.					
c From 2011.					
d From 2012.	24,216,479				
e From 2013.					
f Total of lines 3a through e.		24,216,479			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ $ 1,574,370					
a Applied to 2013, but not more than line 2a				0	
b Applied to undistributed income of prior years (Election required—see instructions).					
c Treated as distributions out of corpus (Election required—see instructions).					
d Applied to 2014 distributable amount.					1,574,370
e Remaining amount distributed out of corpus		0			
5 Excess distributions carryover applied to 2014 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		63,157			63,157
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		24,153,322			
b Prior years' undistributed income Subtract line 4b from line 2b			0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount —see instructions			0		
e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount—see instructions				0	
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)					
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) . . .					
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a		24,153,322			
10 Analysis of line 9					
a Excess from 2010. . . .					
b Excess from 2011. . . .					
c Excess from 2012. . . .	24,153,322				
d Excess from 2013. . . .					
e Excess from 2014. . . .					

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, enter the date of the ruling . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed

CRYSTAL CARR TOWNSEND
7910 WOOODMONT AVENUE SUITE 500
BETHESDA, MD 20814
(301) 907-9144

b The form in which applications should be submitted and information and materials they should include

THE FOUNDATION DOES NOT ACCEPT APPLICATION BY MAIL, EMAIL OR FAX, BUT VIA ITS GRANT INTERFACE WEB-BASED SYSTEM (WWW GRANTINTERFACE COM/ HEALTHCAREINITIATIVE/COMMON/LOGON ASPX) GRANT APPLICATIONS AND REPORTS MUST BE SUBMITTED VIA HIF'S ON-LINE SYSTEM (SEE ABOVE LINK) GRANT APPLICATIONS ARE AVAILABLE ON-LINE APPROXIMATELY SIX WEEKS BEFORE THEY ARE DUE GRANT APPLICATION ROUNDS (E G , GENERAL OPERATING SUPPORT, CAPACITY BUILDING, AND SMALL GRANT ROUNDS) ARE ADVERTISED ON THE FOUNDATION'S WEBSITE ALONG WITH THE GRANT CALENDAR THE FOUNDATION ALSO REVIEW EMERGING NEEDS APPLICATIONS ON A ROLLING BASIS THESE REQUESTS ARE SUBMITTED VIA THE FOUNDATION'S ONLINE SYSTEM AS WELL

c Any submission deadlines

FOR FISCAL YEAR 2015, THE FOUNDATION HAD THREE GRANT ROUNDS 1) GENERAL OPERATING SUPPORT ROUND WAS

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

THE FOUNDATION CONSIDERS GRANTS TO 501(C)(3) HEALTHCARE NONPROFITS THAT ARE BASED IN MONTGOMERY COUNTY, MARYLAND, OR TO NONPROFITS THAT HAVE COUNTY-BASED HEALTH PROGRAMS OR ACTIVITIES WITHIN ITS GEOGRAPHIC AND FOCUS AREA, IT CONSIDERS EFFORTS TO - IMPROVE THE QUALITY AND DELIVERY OF HEALTHCARE, - EXPAND THE AVAILABILITY OF COMPREHENSIVE HEALTHCARE, - BUILD APPROPRIATE CAPACITY IN THE HEALTHCARE NETWORK, AND - GROW THE HEALTHCARE WORKFORCE THE FOUNDATION GENERALLY CONSIDERS NEW GRANTS AFTER THE FOUNDATION'S REPRESENTATIVE MAKES A SITE VISIT TO BE CONSIDERED FOR A POSSIBLE SITE VISIT, A NONPROFIT ORGANIZATION SENDS A BRIEF, INFORMAL EMAIL (4 PARAGRAPHS OR LESS) ABOUT ITS ORGANIZATION, MISSION, PROGRAMS, AND CLIENTELE TO CRYSTAL TOWNSEND@HIFMC ORG THE FOUNDATION MAKES GRANTS THAT - START OR GROW WELL-CONCEIVED PROGRAMS/ORGANIZATIONS, - OFFER INNOVATIVE SOLUTIONS TO IMPROVE THE QUALITY, ACCESSIBILITY AND/OR DELIVERY OF HEALTHCARE, - REPLICATE SUCCESSFUL (EVIDENCE-BASED) PROGRAMS FRO

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				1,276,635
b *Approved for future payment* See Additional Data Table				
Total . . . . ▶ **3b**				469,789

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	1,161,988	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	308,636	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				1,470,624	

13 Total. Add line 12, columns (b), (d), and (e). **13** 1,470,624

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

******	2016-02-19	******
Signature of officer or trustee	Date	Title

May the IRS discuss this return with the preparer shown below (see instr)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
PHILIP R BAKER				P00010692

Firm's name ▶ CITRIN COOPERMAN & COMPANY LLP

Firm's EIN ▶

Firm's address ▶ 7101 WISCONSIN AVE SUITE 1012 BETHESDA, MD 208144805

Phone no (301) 654-9000

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ROBERT H MYERS JR 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	CHAIRMAN 1 0	0	0	0
DAVID J KRESSLER 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	VICE CHAIRMAN 2 0	0	0	0
BENJAMIN GUILIANI 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	TREASURER 3 0	0	0	0
STEPHEN C EASTHAM 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	SECRETARY 1 0	0	0	0
DEBORAH FISHER 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	TRUSTEE 1 0	0	0	0
MIKE KNAPP 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	TRUSTEE EFFECTIVE NOV 2014 1 0	0	0	0
MARTA BRITO PEREZ 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	TRUSTEE EFFECTIVE JAN 2015 1 0	0	0	0
CRYSTAL TOWNSEND 7910 WOODMONT AVENUE SUITE 500 BETHESDA, MD 20814	PRESIDENT 40 0	150,322	20,856	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
The Universities at Shady Grove 9636 Gudelsky Drive Rockville, MD 20850	None	PC	Nursing, Pharmacy and Mental Health Workforce and Achieving Collegiate Excellence and Success	225,000
Montgomery Hospice 1355 Piccard Drive Suite 100 Rockville, MD 20850	None	PC	Nursing Care	200,000
Community Clinic Inc 8630 Fenton Street Suite 1204 Silver Spring, MD 20910	None	PC	Leadership Infrastructure Transformation and General Operating Support	115,000
Mobile Medical Care 9309 Old Georgetown Road Bethesda, MD 20814	None	PC	General Operating Support	100,000
Columbia Lighthouse for the Blind 8720 Georgia Avenue Suite 1011 Silver Spring, MD 20910	None	PC	Diabetic Retinopathy Screening Project and General Operating Support	55,000
Community Ministries of Rockville Inc 1010 Grandin Avenue Suite A1 Rockville, MD 208511341	None	PC	General Operating Support	50,000
Cornerstone Montgomery 6040 Southport Drive North Bethesda, MD 20814	None	PC	Nursing Care Internship Collaborative Project	50,000
Family Services Inc 610 E Diamond Avenue Suite 100 Gaithersburg, MD 20877	None	PC	CareLink Transitions	50,000
Jewish Council for the Aging 1801 E Jefferson Street Rockville, MD 20852	None	PC	General Operating Support	50,000
Mary's Center for Maternal & Child Care 2333 Ontario Road NW Washington, DC 20009	None	PC	General Operating Support	50,000
Primary Care Coalition 8757 Georgia Avenue 10th Floor Silver Spring, MD 20910	None	PC	General Operating Support	50,000
Spanish Catholic Center 924 G Street NW Washington, DC 20001	None	PC	General Operating Support	50,000
Montgomery College Foundation 40 West Gude Drive Suite 110 Rockville, MD 20850	None	PF	The Community Nursing Leadership Pathway	47,035
Community Health and Empowerment Through Education and Research 8545 Piney Branch Road Suite B Silver Spring, MD 20901	None	PC	Long Branch Outreach and Primary Care Referral	25,000
Mercy Health Clinic Inc 7 Metropolitan Court Suite 1 Gaithersburg, MD 20878	None	PC	Building Capacity for Montgomery Cares 2 0	25,000
Total . . . . ▶ **3a**				1,276,635

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Muslim Community Center Medical Clinic 15200 New Hampshire Avenue Silver Spring, MD 20905	None	PC	Build Capacity for Muslim Community Center Medical Clinic	25,000
Proyecto Salud 2424 Reedie Drive Suite 121 Wheaton, MD 20902	None	PC	Business Model Analysis and Development	24,000
CHI Centers Inc 10501 New Hampshire Avenue Silver Spring, MD 20903	None	PC	General Operating Support	14,500
Consumer Health Foundation 1400 16th Street NW Suite 710 Washington, DC 200362224	None	PF	General Operating Support	12,525
Warrior Canine Connection 23222 Georgia Avenue Brookeville, MD 20833	None	PC	General Operating Support	10,000
Literacy Council of Montgomery County MD 21 Maryland Avenue Suite 320 Rockville, MD 20850	None	PC	General Operating Support	5,500
Grantmakers in Health 1100 Connecticut Avenue NW Suite Washington, DC 200364110	None	PC	General Operating Support	5,175
Bowen McCauley Dance Inc 818 N Quincy Street Suite 104 Arlington, VA 22203	None	PC	General Operating Support	5,000
Hope Connections for Cancer Support 9650 Rockville Pike Bethesda, MD 20814	None	PC	General Operating Support	5,000
Nonprofit Montgomery 12320 Parklawn Drive Rockville, MD 20852	None	PC	General Operating Support	5,000
The Children's Inn at NIH 7 West Drive Bethesda, MD 20814	None	PC	General Operating Support	5,000
Women Who Care Ministries 19642 Club House Road Suite 620 Montgomery Village, MD 20886	None	PC	General Operating Support	5,000
St Ann's Center for Children Youth and Families 4901 Eastern Avenue Hyattsville, MD 30782	None	PC	General Operating Support	3,500
Workforce Solutions Group 11002 Veirs Mill Road Suite 510 Wheaton, MD 20902	None	PC	General Operating Support	3,500
Victory Housing Inc 11400 Rockville Pike Suite 505 Rockville, MD 20852	None	PC	General Operating Support	3,000
Total . . . . ▶ **3a**				1,276,635

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Aspire Counseling Inc 16220 Frederick Road Suite 502 Gaithersburg, MD 20877	None	PC	Empathy in Patient Care Workshop	2,900
Total . . . . ▶ **3a**				1,276,635

TY 2014 Accounting Fees Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BOOKKEEPING/ACCOUNTING FEES	55,143	4,331		54,956
AUDIT FEES	19,900	2,985		16,915

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Depreciation Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
FURNITURE	2007-08-22	2,466	2,435	SL	7	30			
COMPUTER EQUIPMENT	2013-04-22	1,649	372	SL	5	330			

TY 2014 Investments - Other Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
MUTUAL FUNDS	FMV	30,897,745	32,917,182
(SEE DETAILS ON ATTACHMENT 18)			

TY 2014 Land, Etc. Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
FURNITURE	2,466	2,465	1	
COMPUTER EQUIPMENT	1,649	702	947	

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TY 2014 Other Assets Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ASSETS HELD IN CHARITABLE			
REMAINDER TRUSTS	104,128	104,128	168,403
ASSETS HELD IN NONQUALIFIED			
EMPLOYEE BENEFIT PLAN	66,610	0	0

TY 2014 Other Expenses Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MEMBERSHIP DUES	14,100			14,100
OFFICE SUPPLIES AND EXPENSES	13,269			12,617
INSURANCE	11,793			11,793
PAYROLL ADMINISTRATION	2,700	90		2,655
PENSION ADMINISTRATION EXPENSE	675	23		1,027

TY 2014 Other Liabilities Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Description	Beginning of Year - Book Value	End of Year - Book Value
DEFERRED FEDERAL EXCISE TAX LIABILITY	53,332	40,389
OBLIGATION UNDER NONQUALIFIED EMPLOYEE BENEFIT PLAN	66,610	0
FEDERAL EXCISE TAXES PAYABLE	32,053	0

TY 2014 Other Professional Fees Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX AND OTHER CONSULTATIONS	3,360			1,670

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TY 2014 Taxes Schedule

Name: HEALTHCARE INITIATIVE FOUNDATION

EIN: 23-7324576

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX ON NET INVESTMENT INCOME	16,198			