LETTER FROM THE PRESIDENT

For the past 30 years, the Rheumatology Research Foundation has distributed more than 2,500 awards and grants aimed at recruiting the brightest minds into rheumatology, helping them develop successful careers in the field and supporting essential research that will help them better treat their patients.

As president of the Foundation, I have the privilege of leading an organization that shares my passion and dedication to improving the health of people with rheumatic diseases. The Foundation’s Board of Directors is committed to making sure each donation is invested directly toward research and training for rheumatology professionals. We take pride in ensuring that every dollar donated is efficiently invested in our programs.

In this annual report, you will find details on the Foundation’s funding and how it was distributed. For more in-depth information, you can view the Foundation’s 990 form and financial statement.

Thank you to all the donors and volunteers who continue to support the Foundation’s efforts to advance treatment and find cures.

DAVID R. KARP, MD, PHD
PRESIDENT, RHEUMATOLOGY RESEARCH FOUNDATION
CHIEF, RHEUMATIC DISEASES DIVISION
UT SOUTHWESTERN MEDICAL CENTER
INVESTING IN TOMORROW’S CURES:
THE RHEUMATOLOGY RESEARCH FOUNDATION MAKING A DIFFERENCE THROUGH RESEARCH AND TRAINING

The Foundation is the largest private funding source of rheumatology research and training in the United States.

Committed Funding for FY2015

Since 1985, the Foundation has committed directly to RESEARCH and TRAINING

$116M

TOTAL NUMBER OF AWARDS PER YEAR

FY 10 FY 11 FY 12 FY 13 FY 14
148 135 128 138 164

Since 1985, annual funding has grown from $500K to $13.3M, a 260% increase.

The Foundation has $26.5M in its endowment.

The Foundation is working to satisfy an ever-growing demand for rheumatologists through education and training support.

Demand for Rheumatologists is expected to jump 46% by 2025 while the actual number of rheumatologists is expected to only increase by 1.2%.

The Foundation provides funding to help recruit medical and doctoral students into the subspecialty. The Foundation also supports non-physicians working in the field of rheumatology. Following advanced training throughout the various stages of their careers, rheumatologists and rheumatology health professionals are eligible for continued training awards.

RESEARCH

With a continued decline in other funding sources, the Foundation facilitates vital rheumatology research that leads to improved patient outcomes for people living with rheumatic disease - and ultimately, may lead to a cure.

In the last five years, investigators who have received Foundation funding have:

- published 630+ papers
- received $73M in additional NIH funding
- given 1200 presentations worldwide

The Foundation supports research investigating many rheumatic diseases, including:

+ Rheumatoid Arthritis
+ Systemic Sclerosis
+ Spondyloarthropathies
+ Systemic Lupus Erythematosus
+ Scleroderma
+ Juvenile Idiopathic Arthritis
+ Gout
+ Pediatric Systemic Lupus Erythematosus
+ Vasculitis
+ Osteoarthritis

The Foundation funds research across the United States.

TRAINING

TRAINED THROUGH TRAINING AWARDS

1019 Preceptorships
287 Annual Meeting Abstract Awards
558 Education and Training Awards
312 Career Development Research Awards
98 Targeted Research
63 Lectureships

From 1985 through FY2014.

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# Statements of Financial Position

**JUNE 30, 2014 AND 2013**

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH AND CASH EQUIVALENTS</td>
<td>$10,655,761</td>
<td>$14,279,043</td>
</tr>
<tr>
<td>INVESTMENTS</td>
<td>$43,525,175</td>
<td>$38,709,309</td>
</tr>
<tr>
<td>CONTRIBUTIONS AND GRANTS RECEIVABLE, NET</td>
<td>$20,062,870</td>
<td>$17,688,105</td>
</tr>
<tr>
<td>PREPAID EXPENSES AND OTHER ASSETS</td>
<td>$161,877</td>
<td>$24,742</td>
</tr>
<tr>
<td>PROPERTY AND EQUIPMENT, LESS ACCUMULATED DEPRECIATION OF $79,973 AND $62,600 IN 2014 AND 2013, RESPECTIVELY</td>
<td>$197,686</td>
<td>$215,059</td>
</tr>
</tbody>
</table>

| TOTAL ASSETS | $74,603,369 | $70,916,258 |

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNTS PAYABLE</td>
<td>$414,934</td>
<td>$374,379</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS:</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>DONOR RESTRICTED:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEMPORARILY RESTRICTED</td>
<td>$35,260,813</td>
<td>$36,842,513</td>
</tr>
<tr>
<td>PERMANENTLY RESTRICTED</td>
<td>$3,295,141</td>
<td>$2,305,795</td>
</tr>
<tr>
<td>OTHER:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DESIGNATED BY BOARD FOR EDUCATION AND RESEARCH AWARDS</td>
<td>$31,961,788</td>
<td>$24,412,241</td>
</tr>
<tr>
<td>UNRESTRICTED</td>
<td>$3,670,693</td>
<td>$6,981,330</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td>$74,188,435</td>
<td>$70,541,879</td>
</tr>
</tbody>
</table>

| TOTAL LIABILITIES AND NET ASSETS | $74,603,369 | $70,916,258 |
## Statements of Activities

For the Years Ended June 30, 2014 and 2013

### Changes in Unrestricted Net Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Grants</td>
<td>$ 1,665,554</td>
<td>$ 1,633,843</td>
</tr>
<tr>
<td>Investment and Interest Income</td>
<td>$ 769,387</td>
<td>$ 774,707</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>$ 3,650,363</td>
<td>$ 2,194,273</td>
</tr>
<tr>
<td>Miscellaneous (Loss)</td>
<td>—</td>
<td>($ 14,216)</td>
</tr>
<tr>
<td>Net assets transferred from temporarily restricted</td>
<td>$ 5,115,243</td>
<td></td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>$ 7,354,982</td>
<td>$ 10,264,939</td>
</tr>
<tr>
<td><strong>Total Unrestricted Revenues</strong></td>
<td>$ 18,555,529</td>
<td>$ 14,853,546</td>
</tr>
</tbody>
</table>

| **Expenses:**                                                               |                 |                 |
| Program services - research and education                                    | $ 12,374,840    | $ 12,182,322    |
| **Support Services:**                                                       |                 |                 |
| Administrative                                                              | $ 980,993       | $ 704,994       |
| Fundraising                                                                 | $ 960,786       | $ 1,077,339     |
| **Total Support Services**                                                  | $ 1,941,779     | $ 1,782,333     |
| **Total Expenses**                                                          | $ 14,316,619    | $ 13,964,655    |
| **Change in Unrestricted Net Assets**                                       | $ 4,238,910     | $ 888,891       |

### Changes in Temporarily Restricted Net Assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts and Grants</td>
<td>$ 9,716,757</td>
<td>$ 11,325,622</td>
</tr>
<tr>
<td>Investment and Interest Income</td>
<td>$ 203,070</td>
<td>$ 200,521</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>$ 968,698</td>
<td>$ 567,635</td>
</tr>
<tr>
<td>Net assets transferred from temporarily restricted</td>
<td>($ 5,115,243)</td>
<td></td>
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<td>($ 7,354,982)</td>
<td>($ 10,264,939)</td>
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<tr>
<td>Miscellaneous income</td>
<td>—</td>
<td>$ 14,216</td>
</tr>
<tr>
<td><strong>Change in Temporarily Restricted Net Assets</strong></td>
<td>($ 1,581,700)</td>
<td>$ 1,843,055</td>
</tr>
</tbody>
</table>

### Changes in Permanently Restricted Net Assets:

| Description                                                                 | 2014            |                 |
| Gifts and Grants                                                            | $ 989,346       |                 |
| **Change in Permanently Restricted Net Assets**                             | $ 989,346       |                 |

### Change in Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$ 3,646,556</td>
<td>$ 2,731,946</td>
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</tbody>
</table>

### Net Assets at Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Assets at Beginning of Year</strong></td>
<td>$ 70,541,879</td>
<td>$ 67,809,933</td>
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</table>

### Net Assets at End of Year

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<td><strong>Net Assets at End of Year</strong></td>
<td>$ 74,188,435</td>
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The Rheumatology Research Foundation is making great strides in its mission to advance research and training to improve the health of people with rheumatic diseases. The Foundation is increasing funding for research and training thanks in large part to the generosity of the Corporate Roundtable. Participation in the Corporate Roundtable is a direct investment in the Foundation’s efforts to develop the next generation of rheumatology professionals who will provide high quality care for patients, as well as accelerate research that will lead to advances in treatments and, one day, cures.

**CORPORATE ROUNDTABLE**

**Leadership** $7,500,000 +

* Abbvie
* Amgen
* Pfizer

**Principal** $2,500,000 +

* AstraZeneca
* Celgene
* Genentech

**Partner** $1,000,000 +

* Janssen
* Lilly
* UCB

**Steward** $25,000 +

* Antares Pharma

*Corporate Roundtable donors July 1, 2013 – June 30, 2014
*Industry Roundtable member as of June 30, 2014*
The Rheumatology Research Foundation would like to thank the volunteers who gave their time from July 1, 2013 through June 30, 2014 to serve as leaders for the organization.

2013-2014 BOARD OF DIRECTORS
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Eric L. Matteson, MD, Vice President
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Kathleen J. Bos, MD, Chair, Development Advisory Council
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William R. Palmer, MD, Member-At-Large
William Robinson, MD, PhD, Member-At-Large
Jane E. Salmon, MD, Member-At-Large
Marcy B. Bolster, MD, ACR Workforce & Training Representative
Bruce Cronstein, MD, Research Representative
Linda Ehrlich-Jones, PhD, RN, ARHP Representative
Nicole Selenko-Gebauer, MD, MBA, CRT Representative

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E. William St.Clair, MD, ACR President-Elect

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Vacant, Community Division Chair
Vacant, Non-Industry Division Chair

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