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Form **990-PF**
Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation

TENNESSEE HEALTH FOUNDATION, INC.

A Employer identification number

20-0298456

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

1 CAMERON HILL CIRCLE

B Telephone number

(423) 535-7350

City or town, state, and ZIP code

CHATTANOOGA, TN 37402

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 128,947,850.

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

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

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))		(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	18,000,000.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	4,814.	4,827.		STATEMENT 1
	4 Dividends and interest from securities	1,800,046.	2,294,904.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,648,612.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		12,901,994.		
	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)				
	11 Other income		45,534.		STATEMENT 3
	12 Total. Add lines 1 through 11	21,453,472.	15,247,259.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	22,050.	3,308.		18,742.
	c Other professional fees STMT 5	10,146.	10,146.		0.
	17 Interest				
	18 Taxes STMT 6	189,461.	35,915.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	524.	0.		0.
	22 Printing and publications				
	23 Other expenses STMT 7	7,661.	120.		4,875.
	24 Total operating and administrative expenses. Add lines 13 through 23	229,842.	49,489.		23,617.
	25 Contributions, gifts, grants paid	5,406,618.			5,406,618.
	26 Total expenses and disbursements. Add lines 24 and 25	5,636,460.	49,489.		5,430,235.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	15,817,012.			
	b Net investment income (if negative, enter -0-)		15,197,770.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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Form **990-PF** (2011)

4 618

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	11,322.		
	2 Savings and temporary cash investments	6,049,150.	15,663,368.	15,663,368.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 8	111,664,732.	104,183,198.	104,183,198.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 9)	1,528.	9,101,284.	9,101,284.
	16 **Total assets** (to be completed by all filers)	117,726,732.	128,947,850.	128,947,850.
Liabilities	17 Accounts payable and accrued expenses	7,300.	2,165.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 10)	7,430.	44,342.	
	23 **Total liabilities** (add lines 17 through 22)	14,730.	46,507.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	117,712,002.	128,901,343.	
	25 Temporarily restricted			
	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**	117,712,002.	128,901,343.	
	31 **Total liabilities and net assets/fund balances**	117,726,732.	128,947,850.	

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	117,712,002.
2 Enter amount from Part I, line 27a	2	15,817,012.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	133,529,014.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSSES	5	4,627,671.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	128,901,343.

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.)
1a	MARKETABLE SECURITIES	P		
b	SILCHESTER K-1 CAP GAINS	P		
c	SILCHESTER K-1 CAP GAINS	P		
d	CAPITAL GAIN ON CONTRIBUTED STOCK	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				1,648,612.
b				40,099.
c				754,148.
d				10,459,135.
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(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	
a				1,648,612.
b				40,099.
c				754,148.
d				10,459,135.
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	12,901,994.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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))
2010	4,246,999.	103,465,432.	.041048
2009	4,194,354.	87,277,228.	.048058
2008	3,302,145.	88,399,801.	.037355
2007	2,427,801.	79,614,291.	.030495
2006	1,986,595.	56,386,305.	.035232

2	Total of line 1, column (d)	2	.192188
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	.038438
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	115,203,888.
5	Multiply line 4 by line 3	5	4,428,207.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	151,978.
7	Add lines 5 and 6	7	4,580,185.
8	Enter qualifying distributions from Part XII, line 4	8	5,430,235.

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 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	151,978.
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	0.
3	Add lines 1 and 2		3	151,978.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	151,978.
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a 82,000.		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 75,000.		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	157,000.
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	5,022.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 5,022. **Refunded** ▶		11	0.

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		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *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.*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
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		X
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		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	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		X
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	X	
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	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TN			
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	X	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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		X
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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ BCBST.COM/ABOUT/COMMUNITY/TN-HEALTH-FOUNDATION

14 The books are in care of ▶ RALPH WOODARD Telephone no. ▶ (423) 535-5192

Located at ▶ 1 CAMERON HILL CIRCLE, CHATTANOOGA, TN ZIP+4 ▶ 37402

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 N/A

16	At any time during calendar year 2011, 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?		Yes	No
		16	X	
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 11			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
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		X
	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 2011?	1c		X
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ _____, _____, _____, _____			
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.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ _____, _____, _____, _____			
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 2011 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 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
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 2011?	4b		X

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 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ▶☐	N/A	5b	
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? *If "Yes," attach the statement required by Regulations section 53 4945-5(d).*	N/A ☐ Yes ☐ No		
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? *If "Yes" to 6b, file Form 8870*		6b	X
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?	N/A	7b	

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.

(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 STATEMENT 12		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
NONE				

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. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

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 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

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	110,094,722.
b	Average of monthly cash balances		1b	6,863,540.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	116,958,262.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	116,958,262.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	1,754,374.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	115,203,888.
6	**Minimum investment return.** Enter 5% of line 5		6	5,760,194.

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	5,760,194.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	151,978.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	151,978.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	5,608,216.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	5,608,216.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	5,608,216.

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	5,430,235.
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	5,430,235.
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	5	151,978.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,278,257.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				5,608,216.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			5,071,035.	
b Total for prior years: _____, _____, _____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 5,430,235.				
a Applied to 2010, but not more than line 2a			5,071,035.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				359,200.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				5,249,016.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a 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 foundation 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).)

NONE

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.

NONE

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 of the person to whom applications should be addressed:

KATHY BINGHAM, FOUNDATION MANAGER, 423-535-7163
1 CAMERON HILL CIRCLE, CHATTANOOGA, TN 37402

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

SEE ATTACHMENT 15

c Any submission deadlines:

SUBMISSIONS MUST BE WITHIN 3 CYCLES: JAN,MAY,SEP

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

SEE ATTACHMENT 15

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*				
AMERICAN RED CROSS, GREATER CHATTANOOGA AREA CHAPTER 801 MCCALLIE AVE CHATTANOOGA, TN 37403	NONE	509(A)(1)	CHATTANOOGA AREA TORNADO RELIEF EFFORTS	100,000.
CHATTANOOGA HISTORY CENTER 2 BROAD STREET CHATTANOOGA, TN 37402	NONE	509(A)(1)	PROGRAM INITIATIVES	25,000.
THE CHURCH HEALTH CENTER 1210 PEABODY AVE MEMPHIS, TN 38104	NONE	509(A)(1)	2ND OF 3 - DIABETIC OBESITY WEIGHT LOSS	74,000.
COMMUNITY HEALTH FOUNDATION/REGIONAL OBSTETRICAL CONSULTANTS 902 MCCALLIE AVE CHATTANOOGA, TN 37403	NONE	509(A)(1)	STORC - SOLUTIONS TO OBSTETRICS IN RURAL COUNTIES PROGRAM	752,025.
CREATIVE DISCOVERY MUSEUM 321 CHESTNUT ST CHATTANOOGA, TN 37402	NONE	509(A)(1)	GOOD FOR YOU TRAVELING EXHIBIT	25,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	5,406,618.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income
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			14	4,814.	
4 Dividends and interest from securities			14	1,800,046.	
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			14	1,648,612.	
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)		0.		3,453,472.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	3,453,472.

(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).
	NOT APPLICABLE

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)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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
		N/A	

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
N/A		

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

Brian E. Stone — 9/6/12 — TREASURER

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
PATRICIA K. COSGROVE	Patricia K Cosgrove	9/5/12		P00025712

Firm's name ▶ LATTIMORE BLACK MORGAN & CAIN, P.C. — Firm's EIN ▶ 62-1199757

Firm's address ▶ ONE UNION SQUARE, SUITE 700 CHATTANOOGA, TN 37402 — Phone no. (423)756-6585

Form **990-PF** (2011)

123622
12-02-11

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2011

Name of the organization	Employer identification number
TENNESSEE HEALTH FOUNDATION, INC.	20-0298456

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year. ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
TENNESSEE HEALTH FOUNDATION, INC.	20-0298456

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	BLUECROSS BLUESHIELD OF TENNESSEE, INC. 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402-2520	$ 75,566.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	BLUECROSS BLUESHIELD OF TENNESSEE, INC. 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402-2520	$ 17,924,434.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: TENNESSEE HEALTH FOUNDATION, INC.

Employer identification number: 20-0298456

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	PUBLICLY TRADED SECURITIES	$ 17,924,434.	12/16/11
		$	
		$	
		$	
		$	
		$	
		$	

Name of organization	Employer identification number
TENNESSEE HEALTH FOUNDATION, INC.	20-0298456

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Part XV Supplementary Information

3 . Grants and Contributions Paid During the Year (Continuation)

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
GIRLS INC OF CHATTANOOGA 709 S GREENWOOD AVE CHATTANOOGA, TN 37404	NONE	509(A)(1)	INFANT MORTALITY PUBLIC AWARENESS CAMPAIGN (IMPACT)	56,646.
GIRLS INC OF MEMPHIS 2670 UNION AVE EXT STE 606 MEMPHIS, TN 38112	NONE	509(A)(1)	NO BABY TEEN PREGNANCY PREVENTION CAMPAIGN	25,000.
KNOXVILLE NEWS SENTINEL CHARITIES INC 2332 NEWS SENTINEL DR KNOXVILLE, TN 37921	NONE	509(A)(1)	FREE FLU SHOT SATURDAY PROGRAM	60,000.
KNOXVILLE ACADEMY OF MEDICINE FOUNDATION 115 SUBURBAN RD KNOXVILLE, TN 37923	NONE	509(A)(1)	PROJECT ACCESS EMERGENCY DEPT. UTILIZATION INITIATIVE	100,000.
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK RD #101 JOHNSON CITY, TN 37604	NONE	509(A)(1)	GROWING HEALTHY: OBESITY PROGRAM	168,000.
NATIONAL CIVIL RIGHTS MUSEUM 450 MULBERRY MEMPHIS, TN 38103	NONE	509(A)(1)	RENOVATION PROJECT	100,000.
SCHOOL ADVOCATES FOR VISION & EDUCATION (SAVE) 606 S. MENDENHALL RD, STE 200 MEMPHIS, TN 38117	NONE	509(A)(1)	"ROLL WITH SEYMOUR" MOBILE VISION UNIT	69,660.
TN FOUNDATION FOR QUALITY PATIENT HEALTHCARE 2301 21ST AVE SOUTH NASHVILLE, TN 37212	NONE	509(A)(1)	ELECTRONIC HEALTH RECORDS ADOPTION VIDEO PRODUCTION	110,000.
TN HOSPITAL EDUCATION & RESEARCH FDN 500 INTERSTATE BLVD SOUTH NASHVILLE, TN 37210	NONE	509(A)(2)	TN PATIENT SAFETY PROGRAM	983,955.
TN HOSPITAL EDUCATION & RESEARCH FDN 500 INTERSTATE BLVD SOUTH NASHVILLE, TN 37210	NONE	509(A)(2)	TN SURGICAL QUALITY IMPROVEMENT PROJECT	935,050.
Total from continuation sheets				4,430,593.

Part XV Supplementary Information

3 . Grants and Contributions Paid During the Year (Continuation)

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
TN PEDIATRIC SOCIETY FOUNDATION PO BOX 159201 NASHVILLE, TN 37215	NONE	509(A)(1)	EARLY SCREENING DIAGNOSIS & TREATMENT/CODING PROGRAMS	275,000.
TN SCORE 1207 18TH AVE SOUTH, #326 NASHVILLE, TN 37212	NONE	509(A)(1)	STATE COLLABORATIVE ON REFORMING EDUCATION	200,000.
BENTON COUNTY BOARD OF EDUCATION 197 BRIARWOOD AVENUE CAMDEN, TN 38320	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,123.
BLOUNT CO SCHOOLS - EAGLETON MIDDLE SCHOOL 2610 CINEMA DRIVE MARYVILLE, TN 37804	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,000.
CHATTANOOGA GIRLS LEADERSHIP ACADEMY 1200 GROVE STREET COURT CHATTANOOGA, TN 37402	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,528.
CONCORD ACADEMY INC 4942 WALNUT GROVE ROAD MEMPHIS, TN 38117	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,000.
HAMBLEN COUNTY DEPT OF EDUCATION 210 EAST MORRIS BOULEVARD MORRISTOWN, TN 37813	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,000.
HAWKINS COUNTY BOARD OF EDUCATION 200 NORTH DEPOT STREET ROGERSVILLE, TN 37857	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,719.
HAYWOOD COUNTY SCHOOL DISTRICT 900 EAST MAIN STREET BROWNSVILLE, TN 38012	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,279.
HUMPHREYS COUNTY DEPARTMENT OF EDUCATION 2443 HIGHWAY 70 EAST WAVERLY , TN 37185	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,183.
Total from continuation sheets				

Part XV Supplementary Information

3 . Grants and Contributions Paid During the Year (Continuation)

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
INCARNATION CATHOLIC CHURCH 360 BRAY STATION ROAD COLLIERVILLE, TN 38017	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,163.
JACKSON MADISON COUNTY SCHOOL SYSTEM 332 LANE AVENUE JACKSON, TN 38301	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,000.
MARION COUNTY BOARD OF EDUCATION 204 BETSY PACK DRIVE JASPER, TN 37347	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,731.
MOUNTAIN STATES FOUNDATION 2335 KNOB CREEK RD #101 JOHNSON CITY, TN 37604	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	139,584.
OCOEE MIDDLE SCHOOL 2250 NORTH OCOEE STREET CLEVELAND, TN 37311	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,413.
SEQUATCHIE COUNTY MIDDLE SCHOOL 7079 SR 28, P.O. BOX 789 DUNLAP, TN 37327	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	2,202.
TULLAHOMA CITY SCHOOL DISTRICT 510 SOUTH JACKSON STREET TULLAHOMA, TN 37388	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,000.
UNION CITY BOARD OF EDUCATION 408 SOUTH DEPOT STREET UNION CITY, TN 38261	NONE	509(A)(1)	SPARK PE PROGRAM GRANT AND HEALTH/NUTRITION GIFT	1,267.
UNIVERSITY OF TN 62 SOUTH DUNLAP MEMPHIS, TN 38163	NONE	509(A)(1)	TEAMWORK-FOCUSED INTERDISCIPLINARY SIMULATIONS PROGRAM	994,338.
UNIVERSITY OF TN 910 MADISON AVE, STE 827 MEMPHIS, TN 38163	NONE	509(A)(1)	BLUES PROJECT, PHASE III (HAMILTON CO & SHELBY CO)	193,752.
Total from continuation sheets				

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME - MONEY MARKET FUND	4,814.
INTEREST INCOME - SILCHESTER K-1	0.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	4,814.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BNY INVESTMENT INCOME	1,800,046.	0.	1,800,046.
TOTAL TO FM 990-PF, PART I, LN 4	1,800,046.	0.	1,800,046.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME FROM PASS THROUGH	0.	45,534.	
TOTAL TO FORM 990-PF, PART I, LINE 11	0.	45,534.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AUDIT & TAX SERVICE EXP	22,050.	3,308.		18,742.
TO FORM 990-PF, PG 1, LN 16B	22,050.	3,308.		18,742.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	10,146.	10,146.		0.
TO FORM 990-PF, PG 1, LN 16C	10,146.	10,146.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX AND LICENSE	40.	0.		0.
FOREIGN TAXES FROM PASS THROUGH	0.	35,915.		0.
EXCISE TAX	189,421.	0.		0.
TO FORM 990-PF, PG 1, LN 18	189,461.	35,915.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PUBLIC RELATIONS	4,875.	0.		4,875.
DUES	500.	0.		0.
MISC INVESTMENT EXP	121.	120.		0.
LATE FEES AND PENALTIES	2,165.	0.		0.
TO FORM 990-PF, PG 1, LN 23	7,661.	120.		4,875.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PIMCO TOTAL RETURN FD-INST	31,918,367.	31,918,367.
ISHARES S&P 500 INDEX FUNDS	13,125,410.	13,125,410.
ISHARES S&P SMALLCAP 600	5,507,849.	5,507,849.
AURORA OFFSHORE FD LTD II CL A	12,769,863.	12,769,863.
SELECTINVEST MULTISTRATEGY LTD	1,380,965.	1,380,965.
ABS OFFSHORE SPC GLOBAL PORT	9,106,219.	9,106,219.
SILCHESTER INT'L EQUITY TRUST	12,586,944.	12,586,944.
EATON VANCE PARAMETRIC TAX-MGD EMERGING MARKETS FUND	9,606,073.	9,606,073.
ISHARES BARCLAYS 0-5 YEAR TIPS	8,181,508.	8,181,508.
INVESTMENT RECEIVABLE	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	104,183,198.	104,183,198.

FORM 990-PF OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED BOND INTEREST RECEIVABLE	1,528.	1,284.	1,284.
INVESTMENT RECEIVABLE	0.	9,100,000.	9,100,000.
TO FORM 990-PF, PART II, LINE 15	1,528.	9,101,284.	9,101,284.

FORM 990-PF OTHER LIABILITIES STATEMENT 10

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
FRANCHISE & EXCISE TAX PAYABLE	7,430.	44,342.
TOTAL TO FORM 990-PF, PART II, LINE 22	7,430.	44,342.

FORM 990-PF NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST STATEMENT 11

NAME OF COUNTRY

CANADA
CAYMAN ISLANDS

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LAMAR J PARTRIDGE 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	CHAIRPERSON 1.00	0.	0.	0.
BETTY DE VINNEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	VICE CHAIRPERSON 1.00	0.	0.	0.
VICKY B. GREGG 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	CEO/BOARD MEMBER 1.00	0.	0.	0.
SHEILA CLEMONS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	SECRETARY 1.00	0.	0.	0.
JILL OAKS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	ASSISTANT SECRETARY 1.00	0.	0.	0.
DANNY TIMBLIN 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	TREASURER 1.00	0.	0.	0.
ALAINE ZACHARY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	ASSISTANT TREASURER 1.00	0.	0.	0.
JOHN GIBLIN 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	CFO 1.00	0.	0.	0.

GUS B. DENTON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
HULET CHANEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
HERBERT H HILLIARD 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
GLORIA S. RAY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
PAUL E STANTON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
WILLIAM M GRACEY 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	PRESIDENT/COO 1.00	0.	0.	0.
EMILY J. REYNOLDS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
JAMES M. PHILLIPS 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
CALVIN ANDERSON 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	EXECUTIVE DIRECTOR 1.00	0.	0.	0.
REGINALD W COOPWOOD 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
JAMES B. BAKER 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	BOARD MEMBER 1.00	0.	0.	0.
KATHY BINGHAM 1 CAMERON HILL CIRCLE CHATTANOOGA, TN 37402	FOUNDATION MANAGER 40.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

GENERAL EXPLANATION STATEMENT 13

FORM 990PF, PART XV
INFORMATION REGARDING FOUNDATION MANAGERS

THE DIRECTORS AND OFFICERS OF THE FOUNDATION ARE DIRECTORS OR OFFICERS OR EMPLOYEES OF BLUECROSS BLUESHIELD OF TENNESSEE, INC., WHICH IS THEIR PRIMARY SUPPORTER AND SUBSTANTIAL CONTRIBUTOR TO THE FOUNDATION. A LISTING OF THESE INDIVIDUALS IS CONTAINED IN STATEMENT 12 FOR FORM 990-PF

GENERAL EXPLANATION STATEMENT 14

PART XV 3B - FUTURE CONTRIBUTIONS

NO FUTURE COMMITMENTS CONSIDERED UNCONDITIONAL

ATTACHMENT 15

BlueCross BlueShield
of Tennessee Health Foundation

Tennessee Health Foundation

Promoting healthy lifestyle choices

Helping control health care costs for all Tennesseans

Contents

BlueCross BlueShield of Tennessee Health Foundation, Inc. Overview 1
- Mission Statement 1
- Goals & Objectives 1

Foundation Charitable Guidelines 2
- Funding Priority 2
- Funding Focus 3
- Eligibility 3
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Contact Information 8

BlueCross BlueShield of Tennessee Health Foundation, Inc.

The BlueCross BlueShield of Tennessee Health Foundation, Inc. (THF) was established in December 2003 as a 501(c)(3) foundation organized to promote the philanthropic mission of BlueCross BlueShield of Tennessee by awarding grants focused on high-impact initiatives across the state, which promote healthy lifestyle choices and help control health care costs for all Tennessee residents THF, working with civic and economic partners, is dedicated to the support of research, innovative programs and creative approaches to improve the health and quality of life of Tennesseans for generations to come

Mission Statement

BlueCross BlueShield of Tennessee Health Foundation is dedicated to enhancing quality of life by awarding grants that improve health, public education and economic development for Tennesseans

Goals & Objectives

- Support of effective multicultural approaches for developing healthy lifestyles
- Enhancement of collaborative community partnerships for broader access to health resources
- Exploration of innovative solutions aimed at breaking cycles of health neglect
- Establishment of healthy initiatives aimed at prevention, intervention and education

Foundation Charitable Guidelines

BlueCross BlueShield of Tennessee Health Foundation (THF) philanthropic contribution guidelines are written in agreement with and in support of the long-term charitable goals of BlueCross BlueShield of Tennessee.

Funding Priority

- Projects within Tennessee reflecting the mission of THF and emphasizing healthy living, health care access and quality of life
- Projects that are solution-oriented and can be closely tracked with quantitative impact
- Projects that are impact-focused with:
  - **Strategic Philanthropic Approach**
    Geographically positioned for maximum philanthropic outreach across income, race and gender lines
  - **Maximized Community Impact**
    Capacity for obtaining high participant results and replication
  - **Quantifiable Results**
    Designed to produce measurable time-specific results
  - **Broad-Based Collaborative Support**
    Capacity for attracting diverse community partnerships

Funding Focus

THF funds projects which develop healthy living practices resulting in better health decisions, medical care and enhanced quality of life for generations to come

Eligibility

To seek grant funding from THF, organizations must:

- Be nondiscriminatory
- Serve communities within Tennessee
- Be a Section 501 (c)(3) qualified public charity and not a private foundation
- Comply with applicable laws regarding registration and financial reporting

Restrictions

Tennessee Health Foundation does not fund.

- Individuals
- Private clubs
- Private schools
  (exception: special projects that match our enterprise's priorities)
- Organizations not eligible for tax deductible support
- Denominational or faith-based organizations for religious purposes
- Political caucuses, candidates or campaigns
- Special occasion or commemorative advertising, i.e. journals or dinner programs, unless these are part of an overall sponsorship effort
- Hospitals or hospital building funds
  (Exception. special projects that match one of our company's priorities, i e. children's hospitals)
- Sports facilities, sports teams
  (Exception. those involved in our health collaborative initiatives)
- Any activities deemed inappropriate by the foundation

Application Process

Organizations who comply with THF guideline criteria must submit grant information in the format and timeframe requested Funding cycles are January, May and September.

Step One – Submit a Letter of Inquiry, with the enclosed Cover Sheet, using the format provided The Foundation will review your organizational information and project description to determine if it appropriately aligns with the mission, funding scope and objectives of THF. An invitation to submit a proposal packet will be extended, should your project mirror our criteria.

Step Two – A full proposal packet must be submitted within 30 days from receipt of invitation letter Please follow the designated format, submittal requirements and timeframe A review of your proposal could take up to three months, due to site visits and interviews in an attempt to obtain more details about your organization and project

Step Three – You will receive notification once the Grants Review Committee has made its funding decision Should your proposal be designated for funding, you will receive an Awards letter and THF Grant Agreement, stipulating your project reporting requirements

If you are seeking funding for a sponsorship or community event, please view About Us / Community Relations / Community Trust at bcbst com.

Letter of Inquiry Format

Letter of Inquiry must be on the applicant organization's letterhead and a maximum of two pages in length Address each item in the order listed.

1. **Project Title**
2. **Project Description**
   Describe your project and major objectives.
3. **Problem / Opportunity/ Need**
   Describe the need, problem or opportunity your project seeks to address
4. **Target Population**
   Describe who will benefit from your project Highlight any relevant characteristics (i e gender, age groups, ethnic-racial composition, disability, socioeconomic status and/or income) that further identify your target group
5. **Funding Request**
   State how the funds will be used and how your project aligns with THF's funding priority and mission
6. **Future Funding**
   Describe how your project will sustain itself after the grant period
7. **Collaboration**
   Describe the collaborative efforts you seek to establish in the implementation of your project.
8. **Quantifiable Project Outcomes**
   Describe how you will evaluate, measure and track the project's outcomes.

Please mail your completed Letter of Inquiry and Cover Sheet to.

Kathy Bingham
Manager
BlueCross BlueShield of Tennessee Health Foundation
1 Cameron Hill Circle
Chattanooga, Tennessee 37402

Grant Proposal Narrative

Proposals will not be accepted unless THF has extended an affirmative response to your Letter of Inquiry.

The proposal should be submitted on the applicant organization's letterhead. It should be unbound and 6 to 12 pages in length, exclusive of attachments. Address each item of the grant proposal narrative in the order listed.

I. **Organization Information**
   History and date of establishment
   Mission and goals
   Programs and activities, including service statistics and strengths or accomplishments
II. **Purpose of Grant**
   Stated purpose
   Anticipated outcome
III. **Needs Assessment**
   Problem, opportunity or need your project addresses
   How need was determined
   Community to be served
IV. **Goals and Objectives**
   State goals and objectives
   Specific, measurable activities to accomplish objectives
V. **Project Impact**
   Impact of project's activities within the community or population (include demographics)
   Who will carry out those activities? (Include any collaborative partners.)
   Timeline of activities with specific start and end date
   Feasibility of project replication
VI. **Evaluation**
   Describe your criteria for success
   How will they be measured?
   Describe your evaluation process, timeline and who will be involved
   What will you do with evaluation results?
VII. **Funding**
   Amount and purpose of funding
   How will funding be sustained after the grant period?
   List pending and committed funding sources for this project
   Describe organization's short-term and long-range funding strategies

Attachments

- Current IRS letter confirming 501(c)(3) status
- IRS Form 990 (if budget is between $25,000-$100,000)
- Recent audited financial statement (if budget is greater than $100,000)
- Detailed budget showing expected expenses and income for the project
- List of pending or committed funding sources for this project
- Staff listing showing job titles with brief statement of duties Include one paragraph description of key staff, including qualifications relevant to the project
- Current list of board members and their affiliations
- Three (3) letters of support or endorsement verifying organization's effectiveness and capacity for making a measurable impact on the issue to be addressed
- Organization information (i e. newsletters, news articles, annual report or other relevant documents)

Proposal Packet Checklist

- ❑ Completed proposal cover sheet and narrative (6-12 pages)
- ❑ IRS 501(c)(3) confirmation letter
- ❑ IRS Form 990 or recent audited financial statement
- ❑ Detailed budget showing project expenses and income
- ❑ List of pending or committed project funding sources
- ❑ Staff listing with titles and job descriptions
- ❑ Current list of board members and their affiliations
- ❑ Three (3) letters of support or endorsement
- ❑ Organization information

Receipt of your proposal packet will be acknowledged within five to 10 business days by mail or e-mail.

Contact Information:

BlueCross BlueShield of Tennessee Health Foundation
Kathy Bingham, Manager
1 Cameron Hill Circle
Chattanooga, Tennessee 37402
Phone: 423 535.7163
Fax: 423.535.7173
E-mail: kathy_bingham@bcbst com

Form **8868**

(Rev January 2012)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return See instructions	TENNESSEE HEALTH FOUNDATION, INC	☑ 20-0298456
	Number, street, and room or suite no. If a P O. box, see instructions	Social security number (SSN)
	1 CAMERON HILL CIRCLE	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	CHATTANOOGA, TN 37402	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ BUD BISHOP

Telephone No. ▶ 423-535-6746 FAX No. ▶ 423-535-8331

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A . If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15 , 20 12 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☑ calendar year 20 11 or

▶ ☐ tax year beginning , 20 , and ending , 20 .

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 157000
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 82000
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 75000

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions