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 , 2011, and ending , 20

Name of foundation: INDEPENDENCE BLUE CROSS FOUNDATION

A Employer identification number: 36-4685801

Number and street (or P O box number if mail is not delivered to street address): 1901 MARKET STREET | Room/suite:

B Telephone number (see instructions): 215-241-2543

City or town, state, and ZIP code: PHILADELPHIA, PA 19103

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) ▶ $ 41,869,017

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) (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)	35,000,000			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	12,105	12,105		
	4	Dividends and interest from securities				
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		0		
	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)	0			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	35,012,105	12,105	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	1,484			1,484
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,484	0	0	1,484
	25	Contributions, gifts, grants paid	3,283,095			3,283,095
	26	**Total expenses and disbursements.** Add lines 24 and 25	3,284,579	0	0	3,284,579
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	31,727,526			
	b	**Net investment income** (if negative, enter -0-)		12,105		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	10,000,000	10,547,125	10,547,125
	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 (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			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	0	31,325,250	31,325,250
	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)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶ Def Tax G/L Unrlzed Inv & Due to/fm IBC)		(3,358)	(3,358)
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	10,000,000	41,869,017	41,869,017
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	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 ▶ Excise Tax Payable)	0	240	
	23	**Total liabilities** (add lines 17 through 22)	0	240	
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			
	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	10,000,000	41,868,777	
	30	**Total net assets or fund balances** (see instructions)	10,000,000	41,868,777	
	31	**Total liabilities and net assets/fund balances** (see instructions)	10,000,000	41,869,017	

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	10,000,000
2	Enter amount from Part I, line 27a	2	31,727,526
3	Other increases not included in line 2 (itemize) ▶ Unrealized Gains on investments	3	141,251
4	Add lines 1, 2, and 3	4	41,868,777
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	41,868,777

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				
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				
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				
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

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 the 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	0	82,192	0.0000
2009			
2008			
2007			
2006			

2	Total of line 1, column (d)	2	0.0000
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
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	12,430,997
5	Multiply line 4 by line 3	5	0
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	121
7	Add lines 5 and 6	7	121
8	Enter qualifying distributions from Part XII, line 4	8	3,284,579

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	121
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	121
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	121
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 300		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	300
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	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	179
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 179 **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 page 19 of the instructions for definition)?	1b		X
	*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		X
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		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?	4b	N	A
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) ▶ PENNSYLVANIA			
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)*

			Yes	No
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 ▶ WWW.IBXFOUNDATION.ORG

14 The books are in care of ▶ THOMAS J HELMS Telephone no ▶ 215-241-2543

Located at ▶ 1901 MARKET STREET, PHILADELPHIA PA ZIP+4 ▶ 19103

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 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?	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 ▶			

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	N	A
	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 ▶ 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	N	A
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 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)*	3b	N	A
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	N	A

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)? (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	N	A
	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		X
	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	N	A

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 ATTACHED				

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
NONE				
Total number of other employees paid over $50,000 ▶				

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
NONE		
Total number of others receiving over $50,000 for professional services ▶		

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 NONE	
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 NONE	
2	
All other program-related investments See instructions 3 NONE	
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	2,660,516
b	Average of monthly cash balances	1b	9,959,786
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	12,620,302
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	
3	Subtract line 2 from line 1d	3	12,620,302
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see instructions)	4	189,305
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	12,430,997
6	**Minimum investment return.** Enter 5% of line 5	6	621,550

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	621,550
2a	Tax on investment income for 2011 from Part VI, line 5	2a	121		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	121
3	Distributable amount before adjustments Subtract line 2c from line 1			3	621,429
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	621,429
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	621,429

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	3,284,579
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	3,284,579
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	121
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,284,458

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				621,429
2	Undistributed income, if any, as of the end of 2011				
a	Enter amount for 2010 only			112	
b	Total for prior years. 20___, 20___, 20___		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. ▶ $ 3,284,579				
a	Applied to 2010, but not more than line 2a			112	
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				621,494
e	Remaining amount distributed out of corpus	2,663,038			
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	2,663,038			
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 instructions			0	
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	2,663,038			
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 2,663,038				

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 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
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed			0	0	0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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

SEE ATTACHMENT

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

SEE ATTACHMENT

c Any submission deadlines

SEE ATTACHMENT

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

SEE ATTACHMENT

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 ATTACHMENT				
Total			▶ **3a**	0
b *Approved for future payment*				
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) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a NONE					
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	12,105	
4 Dividends and interest from securities					
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					
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		12,105	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 12,105

(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)
	NONE

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

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

11/5/12 PRESIDENT

Signature of officer or trustee Date Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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**
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

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 $33\frac{1}{3}$% 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
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

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	INDEPENDENCE BLUE CROSS 1901 MARKET STREET PHILADELPHIA, PA 19103	$ 35,000,000	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)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Part I, Analysis of Revenue And Expenses
Line 23, Other Expenses

Bank/Investment Expense	$1,206
Printing & Supplies	38
Miscellaneous Expenses	240
	$1,484

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Form 990-PF, Part VIII - List of Officers, Directors, and Trustees

(A) Name and Address	(B) Title and Average Hours Per Week Devoted to Position	(C) Compensation	(D) Contribution to Employee Health Plan	(E) Expense Accounts
Daniel Hilferty 1901 Market Street Philadelphia, PA 19103	Chairman of Board of Directors Less than one hour per week average	None	None	None
Alan Krigstein 1901 Market Street Philadelphia, PA 19103	Treasurer Less than one hour per week average	None	None	None
Lilton R Taliaferro, Jr, Esq 1901 Market Street Philadelphia, PA 19103	Secretary Greater than one hour per week average	None	None	None
Paul A Tufano 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
I Steven Udvarhelyi, MD 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Patrick B Gillespie 2791 Southampton Road, Suite 100 Philadelphia, PA 19154	Director Less than one hour per week average	None	None	None
Christopher Cashman 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Lorina L Marshall-Blake 1901 Market Street Philadelphia, PA 19103	President Greater than one hour per week average	None	None	None

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Form 990-PF, Part XV – Supplementary Information

Lines 2(a), 2(b) and 2(c)

Applications are submitted to the Foundation through its website (www.ibxfoundation.org), which describes several categories of grant applications that may be accepted by the Foundation. These include applications for grants to support "safety net clinics" that provide medical services to vulnerable populations in underserved areas of the community, grants to nursing schools to fund student scholarships , and "innovation grants" supporting innovative projects and initiatives that seek to advance the practice and delivery of healthcare. The form of application, the information and materials required to be included, submission deadlines, grant criteria, and the form of grant agreement to be entered into with the Foundation may vary depending on the type of grant sought by the applicant. The website includes contact information if additional information is needed.

Line 2(d)

In general, the Foundation seeks to support, advance, and raise funds for health care, health education, wellness, medical training and medical research. More specifically, the Foundation is interested in making grants that further its core mission of enhancing the delivery of healthcare and improving health, wellness and quality of life in communities throughout southeastern Pennsylvania. The Foundation's goals include improving access to quality, affordable healthcare; supporting education in health-related vocations; and supporting programs to improve health and wellness. At present, grant awards are generally limited to recipients located in, or carrying out grant purposes in, the following Pennsylvania counties: Philadelphia, Montgomery, Delaware, Bucks and Chester.

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Form 990-PF, Part XV-Supplementary Information
Line 3A-Grants and Contributions Paid During the Year

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
The Ann Silverman Community Health Clinic 595 West State Street, Doylestown, PA 18901	N/A	Public Charity	Clinical Services	60,000
ChesPenn Health Services, Inc 2600 West 9th Street, Chester, PA 19013	N/A	Public Charity	Primary Health Care to Uninsured	175,000
Community Volunteers in Medicine 300 B Lawrence Drive, Chester, PA 19380	N/A	Public Charity	Case Management/Chronic Disease	100,000
Congreso De Latinos Unidos 216 W Somerset Street, Philadelphia, PA 19133	N/A	Public Charity	Health Services	50,000
Covenant House Pennsylvania 417 Callowhill Street, Philadelphia, PA 19123	N/A	Public Charity	Primary Health Care	75,000
Eleventh Street Family Health Services 850 North 11th Street, Philadelphia, PA 19123	N/A	Public Charity	Clinical Services	100,000
Esperenza Health Center, Inc 3156 Kensington Avenue, Philadelphia, PA 19134	N/A	Public Charity	Primary Health Care	100,000
Family Practice & Counseling Network Woodland Village Plaza, 6120-B Woodland Avenue Philadelphia, PA 19142	N/A	Public Charity	Primary Health Care	100,000
HealthLink Medical Center 1775 Street Road, Southampton, PA 18966	N/A	Public Charity	Medical and Dental Care	75,000
North Penn Visiting Nurse Association 51 Medical Campus Drive, Lansdale, PA 19446	N/A	Public Charity	Primary Health Care	50,000
Public Health Management Corporation 1035 West Berks Street, Philadelphia, PA 19122	N/A	Public Charity	Primary Health Care	50,000
St Catherine Laboure Medical Clinic 5838 Germantown Avenue, Philadelphia, PA 19144	N/A	Public Charity	Clinical Services	100 000
The Clinic 143 Church Street, Phoenixville, PA 19460	N/A	Public Charity	Patient Care	75,000
VNA Community Services 1421 Highland Avenue Abington, PA 19001	N/A	Public Charity	Primary Health Care	50,000
Adult Health Center of Gwynedd-Mercy College 51 Medical Campus Drive, Lansdale, PA 19446	N/A	Public Charity	Diagnostic Testing	50,000
National Nursing Centers Consortium 260 S Broad Street 18th Floor, Philadelphia, PA 19102	N/A	Public Charity	Nurse-Managed Clinical Services	88,000
Project Home 1515 Fairmount Avenue, Philadelphia, PA 19070	N/A	Public Charity	Primary Health Care	25,000
St Mary Medical Center 1 Summit Square, Suite 300, 1717 Langhorne-Newton Road Langhorne, PA 19047	N/A	Public Charity	Primary Health Care	75,000
Kids Smiles, Inc 3751 Island Avenue, 2nd Floor, Philadelphia, PA 19153	N/A	Public Charity	Dental Healthcare	50,000
Aria Health System Knights and Red Lions Road, Philadelphia, PA 19114	N/A	Supporting Organization	Patient Care	75,000
Public Health Management Corporation Rising Sun Health Center 260 S Broad Street, 18th Floor, Philadelphia, PA 19102	N/A	Public Charity	Primary Health Care	50,000
Public Health Management Corporation Mary Howard Health Center 260 S Broad Street, 18th Floor, Philadelphia PA 19102	N/A	Public Charity	Primary Health Care	50,000

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Form 990-PF, Part XV-Supplementary Information
Line 3A-Grants and Contributions Paid During the Year

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Bucks County Health Improvement Partnership 1201 Langhorne-Newton Road, Langhorne, PA 19047	N/A	Public Charity	Primary Health Care	75,000
La Comunidad Hispana, Inc 731 West Cypress Street, Kennett Square, PA 19348	N/A	Public Charity	Primary Health Care	75,000
Chester County Community Dental Center 744 East Lincoln Highway, Suite 120, Coatesville, PA 19320	N/A	Public Charity	Dental Care	25,000
Augustinian Defenders of the Rights of the Poor 259 N Lawrence Street, Philadelphia, PA 19106	N/A	Public Charity	Community Development	25,000
Delaware Valley Community Health, Inc The Maria de los Santos Health Center 1421 Fairmont Avenue, Philadelphia, PA 19130	N/A	Public Charity	Primary Health Care	200,000
Abington Memorial Hospital 1200 Old York Road, Abington, PA 19001	N/A	Public Charity	Health Care Services	50,000
The Eagles Charitable Foundation One NovaCare Way, Philadelphia, PA 19145	N/A	Public Charity	Health and Education Programming	50,000
Mazzoni Center 21 S 12th Street, 12th Floor, Philadelphia, PA 19107	N/A	Public Charity	Primary Health Care	25,000
Face to Face 109 E Price Street, Philadelphia, PA 19144	N/A	Public Charity	Health Care Services	10,000
Pennsylvania State Nurses Association 2578 Interstate Drive, Suite 101, Harrisburg, PA 17110	N/A	Public Charity	Professional Organization	20,000
Education-Plus, Inc 501 Glen Echo Road, Philadelphia, PA 19119	N/A	Public Charity	Health Care and Health Education	50,000
Healthy Newsworks 1105 Ormond Avenue, Drexel Hill, PA 19026	N/A	Public Charity	Education	10,000
AIDS Alive, Inc 1084 E Lancaster Avenue, Rosemont, PA 19010	N/A	Public Charity	HIV/AIDS Prevention/Support	25,000
Back On My Feet 1520 Locust Street, Suite 804, Philadelphia, PA 19102	N/A	Public Charity	Programs - Homeless Shelters	25,000
Bucks County Community College Foundation 275 Swamp Road, Newtown, PA 18940	N/A	Public Charity	Education	11,863
Community College of Philadelphia Foundation 1700 Spring Garden Street, Philadelphia, PA 19130	N/A	Public Charity	Education	8,202
Montgomery County Community College 340 DeKalb Pike, Blue Bell, PA 19422	N/A	Public Charity	Education	10,838
Eastern Center for Arts & Technology Practical Nursing Program 3075 Terwood Road, Willow Grove, PA 19090	N/A	Public Charity	Education	4,833
Immaculata University Division of Nursing 1145 King Road, P O Box 691 Immaculata, PA 19345	N/A	Public Charity	Education	38,373
Widener University School of Nursing One University Place Chester PA 19013	N/A	Public Charity	Education	56 292
Holy Family University School of Nursing & Allied Health Professions 9801 Frankford Avenue, Philadelphia, PA 19114	N/A	Public Charity	Education	21 980
Drexel University College of Nursing & Health Professions 245 N 15th Street, MS 501, Philadelphia, PA 19102	N/A	Public Charity	Education	226,354
La Salle University School of Nursing & Health Sciences 1900 West Olney Avenue, Philadelphia, PA 19141	N/A	Public Charity	Education	120,731

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2011

Form 990-PF, Part XV-Supplementary Information
Line 3A-Grants and Contributions Paid During the Year

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Thomas Jefferson University, Jefferson School of Nursing 130 S 9th Street, Suite 1314, Philadelphia, PA 19107	N/A	Public Charity	Education	139,988
Center for Arts & Technology Practical Nursing Program 1635 E Lincoln Highway, Coatesville, PA 19320	N/A	Public Charity	Education	5,712
West Chester University, Department of Nursing 855 South New Street, Philadelphia, PA 19085	N/A	Public Charity	Education	23,573
Gwynedd-Mercy College, Francis M Maguire School of Nursing 1325 Sumneytown Pike, Gwynedd Valley, PA 19437	N/A	Public Charity	Education	27,527
Neumann University, Dept of Nursing One Neuman Drive, Aston, PA 19014	N/A	Public Charity	Education	10 432
Temple University, Department of Nursing 3307 N Broad Street, Philadelphia, PA 19140	N/A	Public Charity	Education	21,717
University of Pennsylvania School of Nursing 418 Curie Boulevard, Philadelphia, PA 19104	N/A	Public Charity	Education	145,285
Northeastern Hospital School of Nursing 2301 E Allegheny Avenue, Philadelphia, PA 19134	N/A	Public Charity	Education	2,856
Villanova University College of Nursing 800 Lancastor Avenue, Philadelphia, PA 19085	N/A	Public Charity	Education	88,076
Abington Memorial Hosptial Dixon School of Nursing 2500 Maryland Road, Willow Grove, PA 19090	N/A	Public Charity	Education	8,348
Aria Health School of Nursing 4918 Penn Street, Philadelphia, PA 19124	N/A	Public Charity	Education	6,957
Delaware County Community College Undergraduate Nursing 901 South Media Line Road, Media, PA 19063	N/A	Public Charity	Education	10 984
Eastern University Department of Nursing 1300 Eagle Road, St Davids, PA 19087	N/A	Public Charity	Education	4,174
Total Grants & Contributions				**3,283,095**

INDEPENDENCE BLUE CROSS FOUNDATION

Financial Statements
For the Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

INDEPENDENCE BLUE CROSS FOUNDATION
December 31, 2011 and 2010

TABLE OF CONTENTS

MITCHELL & TITUS

Mitchell & Titus, LLP
1818 Market Street
Philadelphia, PA 19103

Tel +1 215 561 7300
Fax +1 215 569 8709
www mitchelltitus com

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of
Independence Blue Cross Foundation

We have audited the accompanying statements of financial position of Independence Blue Cross Foundation (the Foundation) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation at December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Mitchell & Titus, LLP

June 12, 2012

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Financial Position
As of December 31, 2011 and 2010
(Dollars in thousands)

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 10,547	$ 10,000
Investments	31,323	-
Total assets	$ 41,870	$ 10,000
LIABILITIES AND NET ASSETS		
Current liabilities		
Federal excise tax liability	$ 1	$ -
Total liabilities	1	-
Net assets		
Unrestricted	41,869	10,000
Total net assets	41,869	10,000
Total liabilities and net assets	$ 41,870	$ 10,000

See accompanying notes to the financial statements.

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Activities
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

	2011	2010
CHANGE IN NET ASSETS		
Revenues and gains		
Contributions and other income	$ 35,658	$ 10,000
Gain on investment portfolio	142	-
Investment income	12	-
Total revenue and gains	35,812	10,000
EXPENSES		
Grants	3,282	-
Direct charitable expenses	1	-
Contributed facilities and administrative support	658	-
Federal excise tax	1	-
Total expenses	3,942	-
Changes in net assets	31,870	10,000
Unrestricted net assets, beginning of year	10,000	-
Unrestricted net assets, end of year	$ 41,870	$ 10,000

See accompanying notes to the financial statements.

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010
(Dollars in thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 31,870	$ 10,000
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net appreciation in investments	(142)	-
Increase in contributed investments	(31,182)	-
Increase in federal tax liability	1	-
Net cash provided by operating activities	547	10,000
Net increase in cash and cash equivalents	547	10,000
Cash and cash equivalents, beginning of year	10,000	-
Cash and cash equivalents, end of year	$ 10,547	$ 10,000

See accompanying notes to the financial statements.

NOTE 1 NATURE OF BUSINESS

The Independence Blue Cross Foundation (the Foundation), a Pennsylvania domestic Section 501(c)(3) nonprofit corporation, was established in 2010. The Foundation was organized for charitable and educational purposes to support, advance, and raise funds for health care, health education, wellness, medical training, and medical research. Its mission is focused on caring for the vulnerable, enhancing healthcare delivery, and leading innovative approaches to healthcare. The Foundation is funded entirely by contributions from Independence Blue Cross (IBC) and its affiliates. IBC, a nonprofit hospital corporation in Pennsylvania, provides a broad spectrum of health benefits ranging from health, pharmacy, dental, vision, long-term care and workers' compensation benefits to individuals and groups in multiple states through fully insured and administrative services products.

IBC provides the facilities and staff for the operation and administration of the Foundation's activities at no cost.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) for nonprofit organizations, which requires the Foundation to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net Assets

Net assets are classified as follows:

Unrestricted: The assets are from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily restricted: The assets are from restricted contributions (temporary restrictions) whose donor-imposed restrictions have not been met due to actions of the Foundation and/or the passage of time. Once this occurs, changes in temporarily restricted net assets are reported in the statement of activities.

Permanently restricted: The assets with donor-imposed restrictions that do not expire.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original maturities of 90 days or less at the date of acquisition.

Investments

The Foundation reports investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. See Note 3 for a discussion on valuation methodologies.

Portfolio income reported in the accompanying consolidated statements of activities represents dividends and interest income. Dividends and interest are recorded as earned.

The net appreciation (depreciation) in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. The net realized gain or loss on investments is the difference between the proceeds received and the costs of investments sold determined on an average cost basis. Unrealized appreciation (depreciation) in the fair value of investments is the difference between the fair value and the costs of investments.

The average cost basis is used to determine costs for the Foundation. The first-in, first-out cost basis is used to determine costs for the Foundation's marketable securities and the average cost basis is used to determine costs for the Foundation's alternative investments. The sale and purchase of investments are recorded at the date of trade, which can result in either a net receivable or net payable on unsettled investment trades at the statement of financial position date.

Contributions

Contributions are recognized when the donor makes a pledge to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Grants

Unconditional grants are recorded as an expense in the year in which they are committed. Conditional grants are recorded as an expense when the conditions have been met. As of December 31, 2011 and 2010, the Foundation did not have any conditional grants outstanding.

Contributed Facilities and Administrative Support

The Foundation occupies, without charge, certain premises owned and operated by IBC, which donates the operating costs and administrative support. Simultaneously, these expenses are reported as contributions and expense in the period in which they are incurred. The estimated fair rental value of the premises is determined based on square footage, and the cost of administrative support is based on direct cost and usage.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from those estimates.

Tax Status

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), but are subject to a 2% (1% if certain criteria are met) Federal excise tax on net investment income, including net realized gains, as defined by the IRC.

Accounting principles generally accepted in the United States require the Foundation's management to evaluate uncertain tax positions taken by the Foundation. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Foundation has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to 2010.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation is subject to the provisions of Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which clarifies the definition of fair value for financial reporting, establishes a framework used to measure fair value, and enhances disclosure requirements for fair value measurements. In accordance with ASC 820, the Foundation and the Trust have categorized its financial instruments based on the priority of the valuation technique into a three-level fair value hierarchy. The valuation hierarchy is based on the observability of the inputs to the valuation of the asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The three levels are defined as:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. This includes situations where there is little, if any, market activity for the asset or liability.

Where available, fair value is based on observable market prices or parameters or is derived from such prices or parameters using market standard models. These valuation models involve certain levels of estimation and judgment, which is dependent on the price transparency for the instruments or market and the instruments' complexity.

The availability of observable inputs can vary depending on the financial asset or liability and is affected by a wide variety of factors. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the fair value determination requires more judgment. Accordingly, the degree of judgment exercised by the Foundation and the Trust in determining fair value is greatest for assets and liabilities classified in Level 3. In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy in which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

Management is responsible for the valuation of all assets of the Foundation and the Trust. Any changes to the valuation methodology are reviewed by the Finance Committee or Board of Trustees for the Foundation and the Trust, respectively.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy as described above. The valuation methodologies disclosed are general guidelines. The actual valuation methodology could vary from instrument to instrument to provide the most appropriate fair value measurement.

Cash Equivalents

Cash equivalents consist primarily of funds in money market accounts. These deposits are categorized as Level 1 within the fair value hierarchy.

Common Stocks

Generally, the fair value of financial instruments listed on a securities exchange is determined by its last sales price or the official closing price on the date of which the value is being determined on the primary exchange on which such financial instruments are trading. The fair value for exchange-traded equity securities is determined in this manner, and they are generally classified as Level 1 securities within the fair value hierarchy.

Gain on Investment Portfolio

The gain on the Foundation's investment portfolio for the years ended December 31, 2011 and 2010 consisted of the following:

	2011	2010
Net realized gain	$ -	$ -
Net unrealized gain	142	-
Gain on investment portfolio	$ 142	$ -

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

The following table sets forth by level within the fair value hierarchy of assets and liabilities as of December 31, 2011:

	Foundation Fair Value Measurements on a Recurring Basis As of December 31, 2011			
Assets	**Total**	**Market Quoted Prices in Active Markets of Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and cash equivalents	$ 10,547	$ 10,547	$ -	$ -
Common stocks				
Healthcare and technology	8,710	8,710	-	-
Industrial goods	3,302	3,302	-	-
Transportation and energy	8,821	8,821	-	-
Consumer products	8,356	8,356	-	-
Real estate and financial services	2,134	2,134	-	-
Total investment and cash equivalents	$ 41,870	$ 41,870	$ -	$ -

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

The following table sets forth by level within the fair value hierarchy of assets and liabilities as of December 31, 2010:

Foundation Fair Value Measurements on a Recurring Basis As of December 31, 2010				
Assets	**Total**	**Market Quoted Prices in Active Markets of Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and cash equivalents	$ 10,000	$ 10,000	$ -	$ -
Common stocks				
Healthcare and technology	-	-	-	-
Industrial goods	-	-	-	-
Transportation and energy	-	-	-	-
Consumer products	-	-	-	-
Real estate and financial services	-	-	-	-
Total investment and cash equivalents	$ 10,000	$ 10,000	$ -	$ -

None of the Foundation's financial assets were classified as Level 3 of the fair value hierarchy as of December 31, 2011 and 2010.

NOTE 4 RELATED-PARTY TRANSACTIONS

In 2011, IBC provided the Foundation with a total of $35,000 in contributed support in cash that totaled $3,818 and investment securities valued at $31,182. In 2010, IBC provided the Foundation with a total of $10,000 in contributed support in the form of a cash payment for the entire amount. The support for both years is unrestricted and will be used primarily to fund the mission of the Foundation. In addition, IBC provided the Foundation with in-kind contributions of administrative services, facilities, and personnel for which IBC received no compensation. The estimated fair value of the in-kind contributions was approximately $658 and $0 for the years ended December 31, 2011 and 2010, respectively.

NOTE 5 FEDERAL EXCISE TAX

The Foundation is subject to Federal excise taxes imposed on private foundations at 2%, or at 1%, if certain conditions are met. The excise tax is imposed on net investment income, as defined under Federal law, which includes interest, dividends, and net realized gains on the sale of investments. The Foundation provided for excise taxes at the 2% tax rate for the years ended December 31, 2011 and 2010. The current portion of the excise tax was $1 and $0 for the years ended December 31, 2011 and 2010, respectively.

NOTE 6 CONCENTRATION OF CREDIT RISK

Deposits held with banks may exceed the amount insured by the Federal Depository Insurance Corporation on such accounts. The Foundation's and Trust's management monitors the balances to limit their exposure to risk.

NOTE 7 RISK AND UNCERTAINITIES

Investment securities, in general, are exposed to assorted risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is quite possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in the financial statements. The Foundation's and the Trust's management monitors the exposure to such risk.

NOTE 8 SUBSEQUENT EVENTS

The Foundation evaluated events and transactions that occurred through June 12, 2012, which is the date that the consolidated financial statements were available to be issued for disclosure and recognition in the consolidated financial statements.

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

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	INDEPENDENCE BLUE CROSS FOUNDATION	☒ 36-4685801
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O. box, see instructions.	Social security number (SSN)
	1901 MARKET STREET	☐
	City, town or post office, state, and ZIP code For a foreign address, see instructions.	
	PHILADELPHIA, PA 19103	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ CORPORATION

Telephone No. ▶ 215-241-2543 FAX No. ▶ 215-241-4085

• 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) ______ . 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.

4 I request an additional 3-month extension of time until NOVEMBER 15 , 20 12 .

5 For calendar year 2011, or other tax year beginning ______ , 20 ___ , and ending ______ , 20 ___ .

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension INFORMATION NECESSARY TO PREPARE AN ACCURATE TAX RETURN IS NOT YET AVAILABLE

8a	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.	8a	$
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 and any amount paid previously with Form 8868.	8b	$
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ DIRECTOR-CORPORATE TAX Date ▶ 7/24/12