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

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

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

OMB No. 1545-0052

**2013**

Open to Public Inspection

For calendar year 2013 or tax year beginning

, 2013, and ending

, 20

Name of foundation <b>HIGHMARK FOUNDATION</b>		A Employer identification number <b>25-1876666</b>
Number and street (or P O box number if mail is not delivered to street address) <b>120 FIFTH AVENUE</b>	Room/suite <b>922</b>	B Telephone number (see instructions) <b>(412) 544-6668</b>
City or town, state or province, country, and ZIP or foreign postal code <b>PITTSBURGH, PA 15222</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ <b>16,753,942.</b>		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method. <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)	1,000.		N/A	
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	181,938.	181,938.		
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)				
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total Add lines 1 through 11	182,938.	181,938.		
13	Compensation of officers, directors, trustees, etc.	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) ATCH 1.	1,125.			1,125.
b	Accounting fees (attach schedule) ATCH 2.	22,180.			21,535.
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) ATCH 3.	664.			
19	Depreciation (attach schedule) and depletion*	4,447.			
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ATCH 4.	1,263,119.			1,282,854.
24	Total operating and administrative expenses. Add lines 13 through 23	1,291,535.			1,305,514.
25	Contributions, gifts, grants paid	4,212,539.			3,297,895.
26	Total expenses and disbursements Add lines 24 and 25	5,504,074.	0	0	4,603,409.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-5,321,136.			
b	Net investment income (if negative, enter -0-)		181,938.		
c	Adjusted net income (if negative, enter -0-)			N/A	

JSA For Paperwork Reduction Act Notice, see instructions.

\* ATCH 7

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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 . . . . .		2,580,926.	978,120.	978,120.
	2	Savings and temporary cash investments . . . . .				
	3	Accounts receivable ▶ 53,219.				
		Less allowance for doubtful accounts ▶		92,330.	53,219.	53,219.
	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 . . . . .		555,342.	14,684.	14,684.
	10 a	Investments - U S and state government obligations (attach schedule), **		11,143,943.	7,251,316.	7,251,316.
	b	Investments - corporate stock (attach schedule)				
	c	Investments - corporate bonds (attach schedule) ATCH 6		7,519,065.	8,444,002.	8,444,002.
	Liabilities	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 ▶ 44,476.				
		Less accumulated depreciation ▶ (attach schedule) 31,875.		17,049.	12,601.	12,601.
15		Other assets (describe ▶)				
16		Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .		21,908,655.	16,753,942.	16,753,942.
17		Accounts payable and accrued expenses . . . . .		610,360.	51,275.	
18		Grants payable . . . . .		1,607,884.	2,522,528.	
Net Assets or Fund Balances	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 ▶)				
	23	Total liabilities (add lines 17 through 22) . . . . .		2,218,244.	2,573,803.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here. <input checked="" type="checkbox"/> X and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted . . . . .		19,690,411.	14,180,139.	
	25	Temporarily restricted . . . . .				
	26	Permanently restricted . . . . .				
	Foundations that do not follow SFAS 117, . . . <input type="checkbox"/> check here and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds . . . . .				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .				
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .				
	30	Total net assets or fund balances (see instructions) . . . . .		19,690,411.	14,180,139.	
	31	Total liabilities and net assets/fund balances (see instructions) . . . . .		21,908,655.	16,753,942.	

## 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	19,690,411.
2	Enter amount from Part I, line 27a . . . . .	2	-5,321,136.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3 . . . . .	4	14,369,275.
5	Decreases not included in line 2 (itemize) ▶ ATCH 8	5	189,136.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	14,180,139.

\*\*ATCH 5

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**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** 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 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))
2012	5,765,267.	24,323,649.	0.237023
2011	18,014,942.	34,206,875.	0.526647
2010	15,495,899.	32,290,636.	0.479888
2009	21,516,021.	30,237,623.	0.711565
2008	22,123,031.	33,166,226.	0.667035

<b>2</b> Total of line 1, column (d)	<b>2</b>	2.622158
<b>3</b> 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	<b>3</b>	0.524432
<b>4</b> Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	<b>4</b>	18,941,095.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	9,933,316.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	1,819.
<b>7</b> Add lines 5 and 6	<b>7</b>	9,935,135.
<b>8</b> Enter qualifying distributions from Part XII, line 4. 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.	<b>8</b>	4,603,409.

**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 <input type="checkbox"/> and enter "N/A" on line 1 . . . . . Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		1	3,639.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .			
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	3,639.
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	3,639.
6 Credits/Payments			
a 2013 estimated tax payments and 2012 overpayment credited to 2013 . . . . .	6a	8,000.	
b Exempt foreign organizations - tax withheld at source . . . . .	6b		
c Tax paid with application for extension of time to file (Form 8868) . . . . .	6c		
d Backup withholding erroneously withheld . . . . .	6d		
7 Total credits and payments. Add lines 6a through 6d . . . . .	7	8,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> 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	4,361.	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax <input type="checkbox"/> 4,361. Refunded <input type="checkbox"/> <input type="checkbox"/>	11		

**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? . . . . .		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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		X
c Did the foundation file Form 1120-POL for this year? . . . . .		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0 (2) On foundation managers <input type="checkbox"/> \$ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 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		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 . . . . .		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . . 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		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? . . . . .	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> PA, WV		
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. . . . .	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV. . . . .		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . . . .		X

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**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 <b>▶</b> <u>HTTP://WWW.HIGHMARKFOUNDATION.ORG</u>				
14	The books are in care of <b>▶</b> <u>JANINE K. COLINEAR</u> Telephone no <b>▶</b> <u>412-544-6902</u>			
Located at <b>▶</b> <u>120 FIFTH AVENUE, SUITE 924 PITTSBURGH, PA</u> ZIP+4 <b>▶</b> <u>15222</u>				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . .	15	N/A	
16	At any time during calendar year 2013, 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	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country <b>▶</b>				

**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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? . . . . .	N/A	1b
Organizations relying on a current notice regarding disaster assistance check here . . . . .	<input type="checkbox"/>	
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 2013? . . . . .		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years <b>▶</b> _____		
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. <b>▶</b> _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2013 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 2013) . . . . .	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 2013? . . . . .		4b X

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**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)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐ **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? ☐ 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? ☐ Yes ☒ No **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? ☐ Yes ☒ No **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 (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
ATCH 9		0	0	0

**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		0	0	0

**Total number of other employees paid over \$50,000** ☐ **0**

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**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
ATCH 10		913,332.

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 SEE ATTACHED	
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 N/A	
2	
All other program-related investments. See instructions.	
3 NONE	
Total. Add lines 1 through 3 . . . . .	

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**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	16,431,705.
b	Average of monthly cash balances	1b	2,812,083.
c	Fair market value of all other assets (see instructions)	1c	80,504.
d	Total (add lines 1a, b, and c)	1d	19,324,292.
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	19,324,292.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions). <u>ATCH 11</u>	4	383,197.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	18,941,095.
6	Minimum investment return. Enter 5% of line 5	6	947,055.

**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	947,055.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	3,639.
b	Income tax for 2013 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,639.
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	943,416.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	943,416.
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	943,416.

**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	4,603,409.
b	Program-related investments - total from Part IX-B	1b	
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	4,603,409.
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	4,603,409.

**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.

Form 990-PF (2013)

Page **9****Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
<b>1</b> Distributable amount for 2013 from Part XI, line 7 . . . . .				943,416.
<b>2</b> Undistributed income, if any, as of the end of 2013				
<b>a</b> Enter amount for 2012 only . . . . .				
<b>b</b> Total for prior years 20 <u>11</u> , 20 <u>10</u> , 20 <u>09</u> . . . . .				
<b>3</b> Excess distributions carryover, if any, to 2013				
<b>a</b> From 2008 . . . . . 20,595,370.				
<b>b</b> From 2009 . . . . . 20,195,370.				
<b>c</b> From 2010 . . . . . 14,247,185.				
<b>d</b> From 2011 . . . . . 16,347,061.				
<b>e</b> From 2012 . . . . . 4,571,929.				
<b>f</b> Total of lines 3a through e . . . . .	75,956,915.			
<b>4</b> Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ <u>4,603,409.</u>				
<b>a</b> Applied to 2012, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .				
<b>d</b> Applied to 2013 distributable amount . . . . .				943,416.
<b>e</b> Remaining amount distributed out of corpus . . . . .	3,659,993.			
<b>5</b> Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a) ) . . . . .				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	79,616,908.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions . . . . .				
<b>e</b> Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
<b>f</b> Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014 . . . . .				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	20,595,370.			
<b>9</b> Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	59,021,538.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2009 . . . . . 20,195,370.				
<b>b</b> Excess from 2010 . . . . . 14,247,185.				
<b>c</b> Excess from 2011 . . . . . 16,347,061.				
<b>d</b> Excess from 2012 . . . . . 4,571,929.				
<b>e</b> Excess from 2013 . . . . . 3,659,993.				

Form **990-PF** (2013)

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

NOT APPLICABLE

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 2013, 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			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
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 or e-mail address of the person to whom applications should be addressed

SEE ATTACHED STATEMENT

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

SEE ATTACHED

c Any submission deadlines

NONE

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

SEE ATTACHED

**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>  ATCH 12				
<b>Total</b> .....			▶ <b>3a</b>	<b>3,297,895.</b>
<b>b Approved for future payment</b>  ATCH 13				
<b>Total</b> .....			▶ <b>3b</b>	<b>2,522,917.</b>

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments . . . . .					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities . . . . .			14	181,938.	
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) . . . . .				181,938.	
13	Total. Add line 12, columns (b), (d), and (e) . . . . .					181,938.

(See worksheet in line 13 instructions to verify calculations )

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

[illegible]



ATTACHMENT 1

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL	1,125.			1,125.
TOTALS	<u>1,125.</u>			<u>1,125.</u>

ATTACHMENT 2FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING	22,180.			21,535.
TOTALS	<u>22,180.</u>			<u>21,535.</u>



ATTACHMENT 3FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
EXCISE TAXES	664.
TOTALS	<u>664.</u>

ATTACHMENT 4

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
OTHER FOUNDATION EXPENSES		
ETOOOLS FOR SCHOOLS USED IN		
HIGHMARK HEALTHY HIGH 5	417,340.	382,132.
PROGRAM		
OTHER HIGHMARK HEALTHY HIGH 5	845,057.	900,000.
PROGRAM RELATED EXPENSES	722.	722.
TOTALS	<u>1,263,119.</u>	<u>1,282,854.</u>

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONSATTACHMENT 5

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FEDERAL HOME LOAN BANK	500,445.	500,445.
FEDERAL HOME LOAN BANK	610,006.	610,006.
FEDERAL HOME LOAN BANK	1,706,180.	1,706,180.
FEDERAL FARM CREDIT BANK	995,310.	995,310.
FEDERAL FARM CREDIT BANK	496,195.	496,195.
FEDERAL HOME LOAN BANK	515,720.	515,720.
FEDERAL HOME LOAN MTG CORP.	500,455.	500,455.
FEDERAL HOME LOAN MTG CORP.	499,250.	499,250.
FEDERAL HOME LOAN MTG CORP.	444,900.	444,900.
FNMA	250,212.	250,212.
FNMA	224,577.	224,577.
FNMA	250,238.	250,238.
FNMA	257,828.	257,828.
US OBLIGATIONS TOTAL	<u>7,251,316.</u>	<u>7,251,316.</u>

FORM 990PF, PART II - CORPORATE BONDSATTACHMENT 6

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
AMERICAN HONDA FINANCE	752,940.	752,940.
BLACK & DECKER CORP.	567,485.	567,485.
COLGATE-PALMOLIVE CO.	513,485.	513,485.
GENERAL ELECTRIC CO.	251,168.	251,168.
GENERAL ELECTRIC CAP CORP.	252,685.	252,685.
GENERAL ELECTRIC CAP CORP.	302,295.	302,295.
ILLINOIS TOOL WORKS INC.	202,260.	202,260.
JPMORGAN CHASE & CO.	753,083.	753,083.
MEDTRONIC INC.	257,945.	257,945.
MERRILL LYNCH & CO.	501,835.	501,835.
NATIONAL RURAL UTIL COOP	249,780.	249,780.
PNC FUNDING CORP	757,605.	757,605.
PACIFIC LIFE GLOBAL FDG	258,650.	258,650.
PEPSICO INC.	500,330.	500,330.
SIMON PROPERTY GROUP LP	253,450.	253,450.
TOYOTA MOTOR CREDIT CORP.	245,420.	245,420.
TOYOTA MOTOR CREDIT CORP.	500,535.	500,535.
USAA CAPITAL CORP.	251,127.	251,127.
UNITED HEALTH GROUP INC.	251,000.	251,000.
WELLS FARGO & COMPANY	303,342.	303,342.
BANK OF MONTREAL	257,522.	257,522.
VOLKSWAGEN INTL FIN NV	260,060.	260,060.
TOTALS	<u>8,444,002.</u>	<u>8,444,002.</u>

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

ATTACHMENT 7

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL			ACCUMULATED DEPRECIATION DETAIL		
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	BEGINNING BALANCE	ADDITIONS	ENDING BALANCE
EQUIPMENT		44,476			27,428.	4,447	31,875.
TOTALS		<u>44,476</u>			<u>27,428</u>	<u>4,447</u>	<u>31,875</u>

ATTACHMENT 8FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
CHANGE IN UNREALIZED LOSS ON AVAILABLE-FOR-SALE INVESTMENTS	189,136.
TOTAL	<u>189,136.</u>

HIGHMARK FOUNDATION

25-1876666

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 9

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
JAMES B. BRAMSON, DDS 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR 1.00	0	0	0
JANINE K. COLINEAR 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR/TREASURER 1.00	0	0	0
DANIEL A. ONORATO 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR/CHAIRPERSON 1.00	0	0	0
DORIS CARSON WILLIAMS 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR/VICE CHAIRPERSON 1.00	0	0	0
YVONNE C. COOK 120 FIFTH AVENUE PITTSBURGH, PA 15222	PRESIDENT 40.00	0	0	0
EDWARD A. BITTNER, JR. 120 FIFTH AVENUE PITTSBURGH, PA 15222	SECRETARY 1.00	0	0	0

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 9 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
DAVID P. GAERTNER 120 FIFTH AVENUE PITTSBURGH, PA 15222	ASSISTANT SECRETARY 1.00	0	0	0
EVAN S. FRAZIER 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR 1.00	0	0	0
JUDY SJOSTEDT 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR 1.00	0	0	0
DR. THOMAS ROHNER 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR (RESIGNED 1/11/2013) 1.00	0	0	0
C. MICHAEL BLACKWOOD 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR (RESIGNED 12/12/2013) 1.00	0	0	0
DR. JAMES BRANSON 120 FIFTH AVENUE PITTSBURGH, PA 15222	DIRECTOR (EFFECTIVE 6/25/2013) 1.00	0	0	0
GRAND TOTALS		0	0	0



990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 10

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
INNERLINK 313 WEST LIBRARY, SUITE 201 LANCASTER, PA 17603	HEALTH E-TOOLS	845,779.
DIANE STOTTS 300 HEINZ STREET C501 PITTSBURGH, PA 15212	PATIENT NAVIGATOR	67,553.
TOTAL COMPENSATION		<u>913,332.</u>

ATTACHMENT 11FORM 990PF, PART X - CASH DEEMED HELD FOR CHARITABLE ACTIVITIES EXPL.

HIGHMARK FOUNDATION IS A PRIVATE FOUNDATION REPORTING ON A CALENDAR-YEAR BASIS. HIGHMARK FOUNDATION WAS FORMED TO PROMOTE LIFELONG, HEALTHY BEHAVIORS IN CHILDREN AND ADOLESCENTS AGES 6-18 TO ENSURE THAT THEY HAVE HEALTHY BODIES AND MINDS. HIGHMARK FOUNDATION CONTRIBUTED \$4.6 MILLION IN 2013 TO SUPPORT THESE CAUSES. WHEN COMPLETING PART X, LINE 4 OF ITS FORM 990PF, HIGHMARK FOUNDATION CALCULATED ITS CASH DEEMED HELD FOR CHARITABLE ACTIVITIES AS \$383,197, WHICH REPRESENTS THE AVERAGE AMOUNT OF CONTRIBUTIONS MADE EACH MONTH.

**2013 Form 990-PF: Return of Private Foundation**  
**Highmark Foundation**  
**25-1876666**

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

Since its inception in 2000, the Highmark Foundation has made a lasting impact in the communities Highmark served by taking the steps necessary to improve the overall health and well-being of its residents. Throughout 2013, the Foundation continued to stand behind its mission by awarding a series of grants, sponsorships and educational support, totaling more than \$5.4 million, and since 2000 awarding over \$100 million to charitable organizations and hospitals across Pennsylvania.

Highmark Foundation approaches grant making proactively, engaging the health care community and utilizing research to identify areas of need in which Foundation funding will make a profound difference. The Foundation has also created urgency around many public health issues facing the region. It is achieving its mission by funding strategic and evidence-based health care initiatives that educate, protect and ultimately improve the overall well-being of the large population it serves.

A major portion of the Foundation's history is its unparalleled dedication to improving children's health throughout the region. The Foundation was a catalyst in addressing the childhood obesity epidemic facing our region and, ultimately, our nation. In 2006, the Foundation introduced Highmark Healthy High 5, a children's health promotion initiative that supported lifelong good health for children and adolescents ages 6-18. Two major focus areas from that initiative – bullying prevention and childhood obesity – still remain an integral part of the Foundation's work.

The Foundation also funds innovative health care programs for diverse populations. Whether the population is located in an urban, suburban or rural area, it supports programs that reach vulnerable or at-risk individuals such as the elderly, the poor, individuals with special needs and minority populations. These programs have included pilot projects, model programs, expansion plans and well-established initiatives.

Currently, the Highmark Foundation has four key funding categories in place for its grant making efforts:

- Chronic Disease
- Family Health
- Healthy Communities
- Service Delivery Systems.

Finally, the Foundation has a three-pronged approach to its work:

- Public Health
- Systems Change
- Thought Leadership

Below is a list of the Foundation's largest direct charitable activities:

1. Innerlink Inc., - in partnership with the Highmark Foundation developed "Health eTools for Schools" a web-based portal that supports policy change within Pennsylvania schools and provides a secure method to calculate, track and report student body mass index (BMI) in a format required by the PA Department of Health. Health eTools for Schools also provides standards-based nutrition and physical activities introduced during core academic instructional time \$ 845,057
2. Center for Schools and Communities – to strengthen and promote sustainability of bullying prevention efforts in Pennsylvania \$ 523,400
3. Schools in Western/Central Pennsylvania and West Virginia – to promote physical activity and fitness in school age children \$ 506,652
4. Windber Research Institute – to continue analysis of the evaluation outcomes and reporting of data related to bullying prevention efforts in Pennsylvania. \$ 357,000

**2013 Form 990-PF: Return of Private Foundation**  
**Highmark Foundation**  
**25-1876666**

**Part XV Line 2a**

For application submission, contact the representative in your area.

Area served

Contact

Western Pennsylvania

Christina L. Wilds, DrPH  
Senior Program Officer  
120 Fifth Avenue  
FAP 1733  
Pittsburgh, PA 15222  
412-544-3243

Central Pennsylvania

Rosemary Browne  
Program Officer  
1800 Center Street  
CTRST 1B L4  
Camp Hill, PA 17089  
717-302-7803

West Virginia

Christina L. Wilds, DrPH  
Senior Program Officer  
120 Fifth Avenue  
FAP 1733  
Pittsburgh, PA 15222  
412-544-3243

**2013 Form 990-PF: Return of Private Foundation**  
**Highmark Foundation**  
**25-1876666**

Part XV Line 2b

**Proposal Process**

The Foundation awards programmatic grants in the area of health to non-profit organizations and hospitals. The Foundation defines health broadly to include social, behavioral and other dimensions beyond illness or disease. The grant making process is performed primarily through invited proposals or requests for proposals. The Foundation awards grants in two ways:

1. Invited Proposals – are target specific audiences and activities identified by the Foundation. Unlike request for proposals (RFPs), these proposals involve the participation of a specific entity and may represent a longer-term commitment from both the grant recipient and the Foundation. All phases of the project must be acceptable to the Foundation prior to funding, including estimated costs, timelines and expected results.
2. Request for Proposals – will be issued periodically related to specific health topics. Organizations with demonstrated capacity or evidence of strong potential to mount successful projects with respect to the target health topics will be invited to submit a proposal in response to the RFP. A limited number of grants will be awarded based upon a competitive analysis of the proposals submitted. Grants will be awarded to the applicants deemed to be the most responsive to the RFP requirements.

**Proposal Guidelines**

To respond to an invited proposal, the following information is required:

1. Organizational overview (history, mission and contact information)
2. A brief statement of the problem
3. A description of the proposed project, including why it is important, its objectives, the target population(s), qualifications of staff, the impact on the community, project start and completion date and a timeline.
4. A statement of how the project fits into other work being done in the community, region and/or field.
5. A description of what constitutes success and how the organization plans to measure it
6. A description of how the program outcomes will be communicated to relevant audiences.
7. The requested amount of funding, an itemized budget of the overall project and an indication of other prospective funding sources.
8. General information, including contact person and telephone number
9. A statement declaring that the organization is a public charity as described in sections 501(C)(3) and 509(a)(1),(2) or (3) of the Internal Revenue Code of 1986.

Upon receipt and review of the letter of inquiry, the Highmark Foundation will notify the applicant of the status of the request. If it is determined that the request is applicable and/or meets the criteria, the second step is the invitation to submit a formal grant application/proposal.

**2013 Form 990-PF: Return of Private Foundation**  
**Highmark Foundation**  
**25-1876666**

Part XV Line 2d

The Highmark Foundation also makes multi-year grants to non-profit agencies and organizations in western and central PA; and West Virginia communities served by Highmark Inc. defined as tax exempt under section 501(c)(3) and as public charities under section 509 (a). The Highmark Foundation has focused its attention on a variety of health issues including but not limited to: dental/oral health care, health disparities, nursing shortage, and health literacy. In 2013, the Highmark Foundation awarded approximately \$4,212,000 to 152 non-profit organizations for traditional grants. Traditional grants are awarded in four priority areas listed below along with examples of grant funded programs.

**A Chronic Disease –Grants funded programs**

- Community Health Clinic of Butler County – To provide support of a multifaceted diabetes management program that provides high-quality education, medical and dental services to uninsured individuals in Butler County.
- Erie County Diabetes Association, Inc., - To support diabetes prevention and intervention programming for 550 uninsured and underinsured pre- and diabetic individuals.

**B Family Health - Grants funded programs:**

- Highlands Hospital – To support a planning grant to assist with the creation of the Women's Center of Excellence
- Pittsburgh Community Services, Inc., - To establish the Healthier Communities pilot program to address physical activity and nutrition behaviors in 100 seniors residing in senior residences in Allegheny County.
- West Virginia University Foundation – To support McDowell County CHOICES, an integrated approach to childhood and adolescent health.

**C. Healthy Communities – Grants funded programs**

- Lancaster General Hospital – to address hypertension using the Hypertension Protocol Project, an evidence-based protocol for screening, treatment and control of hypertensive patients.
- Pinnacle Health – To reduce repeat emergency room visits to Pinnacle Healthy by Hamilton Health Center patients by helping them to learn to manage chronic conditions through patient navigation as a System Care coordination team.
- St. Joseph Regional Health Network – Support of the Diabetes Wellness program, will help improve the health of this community by providing support to help our patients understand and manage this chronic disease.

**D. Service Delivery Systems – Grant funded programs:**

- Allegheny County Emergency Medical Services Council – To create an innovative EMS-based pilot program for vulnerable patients in the City of Pittsburgh and surrounding neighborhoods to ensure communities receive high-quality medical services through the CONNECT Community Paramedic program.
- Allegheny Health Network – To establish Oncology navigation and community outreach coordination to improve access to care for high-risk patients.
- Catholic Charities Diocese of Pittsburgh, Inc. – To increase access to primary health, dental and specialty care for underserved populations in Southwestern Pennsylvania
- Lancaster Cleft Palate Clinic – To support staffing costs for the delivery of integrated oral health care for children with cleft palates and craniofacial abnormalities in Central PA.
- Penn State University – To support "improving Rural Geriatric Care through Education," a program designed to provide geriatric education and training for rural health care providers practicing in eight critical access hospitals.

**2013 Form 990-PF: Return of Private Foundation**  
**Highmark Foundation**  
**25-1876666**

The Foundation also considers numerous factors in deciding whether to fund a specific proposal, including but not limited to the following criteria:

- Consistent with the Foundation's goals, strategies and focus.
- Creates models with potential application throughout the Foundation's footprint.
- Demonstrates new and sustainable ways to solve health problems
- Reduces long-term cost or duplication of services and resources.
- Incorporates sound methods of evaluation for long-term program success.
- Improves and assures access to quality health care for underserved populations in urban and rural areas.
- Illustrates the effectiveness of early intervention and prevention health programs.
- Seeks creative ways to leverage the Foundation's limited dollars.

HIGHMARK FOUNDATION

25-1876666

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

ACHIEVA

711 BINGHAM STREET

PITTSBURGH, PA 15203

N/A

PC

TO SUPPORT THE PILOT WAITING LIST REDUCTION

INITIATIVE AN INNOVATIVE SOLUTION TO REDUCE

WAITING LIST FOR BASIC SUPPORTIVE AND HEALTH CARE

SERVICES

75,000.

ALLEGHENY COUNTY EMS COUNCIL

400 N. LEXINGTON ST.

PITTSBURGH, PA 15208

N/A

PC

81,250

TO CREATE AN INNOVATIVE EMS-BASED PILOT PROGRAM

FOR VULNERABLE PATIENTS IN THE CITY OF PITTSBURGH

AND SURROUNDING NEIGHBORHOODS TO AND ENSURE

COMMUNITIES RECEIVE HIGH-QUALITY MEDICAL SERVICES

THROUGH THE CONNECT COMMUNITY PARAMEDIC PROGRAM

ALLEGHENY VALLEY HOSPITAL

1301 CARLISLE STREET

NATRONA HEIGHTS, PA 15065

N/A

PC

45,000.

TO SUPPORT THE PATIENT NAVIGATION PROGRAM.

AVONMOUTH MIDDLE SCHOOL

256 JOSEPHS LANE

PITTSBURGH, PA 15237

N/A

PC

2,500.

TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND

NUTRITION IN SCHOOL CHILDREN

BERKS VISITING NURSE ASSOCIATION

1170 BERKSHIRE BOULEVARD

WYOMISSING, PA 19610

N/A

PC

50,000.

TO EXPAND A CHRONIC CARE MANAGEMENT PROGRAM

SERVING BERKS COUNTY NON-HOMEBOUND PATIENTS WITH

CONGESTIVE HEART FAILURE

BETHESDA MISSION

P.O. BOX 3041

HARRISBURG, PA 17105

N/A

PC

62,500.

TO EXPAND THE DENTAL AND MEDICAL HEALTH NEEDS OF

THE MEDICALLY UNDERSERVED, UNDERINSURED AND

UNINSURED IN THE CAPITAL REGION INCLUDES A

GRANT OF \$K MADE ON BEHALF OF A RETIRING BOARD

MEMBER TO SUPPORT THE MEDICALLY UNINSURED AT THE

BETHESDA MISSION



HIGHMARK FOUNDATION

25-1876666

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
CATHOLIC CHARITIES, DIOCESE OF PITTSBURGH, INC. 212 NINTH STREET PITTSBURGH, PA 15222	N/A	PC	TO INCREASE ACCESS TO PRIMARY HEALTH, DENTAL AND SPECIALTY CARE FOR UNDERSERVED POPULATIONS IN SOUTHWESTERN PENNSYLVANIA AT THE CATHOLIC CHARITIES FREE HEALTH CARE CENTER.	100,000
CANONSBURG HOSPITAL 100 MEDICAL BLVD CANONSBURG, PA 15317	N/A	PC	TO EDUCATE AND COUNSEL INDIVIDUALS USING COMMUNITY-BASED OUTREACH AND BEST PRACTICE STRATEGIES INCLUDING WELL-LIFE AND TEAM-BASED CARE TO IMPROVE BLOOD PRESSURE CONTROL	50,568.
CENTRAL OUTREACH RESOURCE AND REFERRAL CENTER 1860 CENTRE AVENUE PITTSBURGH, PA 15219	N/A	PC	TO ESTABLISH THE COOL PROGRAM: A COMPREHENSIVE INITIATIVE TO INCREASE HIV/AIDS TESTING IN MINORITY AT RISK POPULATIONS.	50,000
CENTRAL SUSQUEHANNA INTERMEDIATE UNIT 275 GRANDVIEW AVENUE, SUITE 200 CAMP HILL, PA 17011	N/A	PC	TO SUPPORT SCHOOL AND COMMUNITY SYSTEMS TO STRENGTHEN BULLYING PREVENTION EFFORTS THROUGH INFORMED AND COLLABORATIVE PRACTICE, WITH A FOCUS ON THE UNIQUE NEEDS OF URBAN SCHOOL DISTRICTS.	321,700
CHILDREN'S INSTITUTE 1405 SHADY AVENUE PITTSBURGH, PA 15217	N/A	PC	TO SUPPORT FROM FOOD TO FRAGRANCE. IMPACTS TO OUR HEALTH TO ADDRESS THE EFFECTS OF FRAGRANCES AND BARRIERS TO DEVELOPING SUCCESSFUL FARM TO SCHOOL TO COMMUNITY PROGRAMS. HIGHMARK FOUNDATION WILL BE THE PRESENTING SPONSOR TO THESE ACTIVITIES	44,500
CLAYSVILLE ELEMENTARY 119 MAIN STREET CLAYSVILLE, PA 15323	N/A	PC	TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN.	2,500

FORM 990EF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
COLUMBIA COUNTY VOLUNTEERS IN MEDICINE, INC 310 EAST THIRD STREET P.O. BOX 416 MIFFLINVILLE, PA 18631	N/A	PC		TO PROVIDE CHRONIC DISEASE CASE MANAGEMENT FOR THE UNINSURED IN COLUMBIA AND MONTGOMERY COUNTIES AND TO ASSIST WITH HEALTH INSURANCE MARKETPLACE EDUCATION AND ENROLLMENT.	75,000
CONEMAUGH HEALTH SYSTEM 1086 FRANKLIN STREET JOHNSTOWN, PA 15905-4398	N/A	SO I		CARDIOVASCULAR DIABETES PREVENTION PROGRAM (CDDPP) WILL PROVIDE EDUCATION SCREENING OF PEOPLE WITH THIS DISEASE.	51,560
CONGREGATIONS UNITED FOR NEIGHBORHOOD ACTION 317 NORTH 4TH STREET ALLENTOWN, PA 18102	N/A	PC		TO SUPPORT THE GREATER LEHIGH VALLEY SUPER UTILIZER AND NEIGHBORHOOD HOT SPOT MODEL TO REDUCE EMERGENCY ROOM USE AND HOSPITAL READMISSIONS IN THE LEHIGH VALLEY.	70,915
EDUCATING TEENS ABOUT HIV/AIDS 1425 PENNSYLVANIA AVENUE PITTSBURGH, PA 15233	N/A	PC		TO SUPPORT LIVE LIFE WITHOUT THE DISEASE SERIES THAT FOCUSES ON ADOLESCENT HEALTH AND PROMOTES HEALTHY BEHAVIORS ACROSS LIFE STAGES	25,000
FORBES HEALTH FOUNDATION 2570 HAYMAKER ROAD MONROEVILLE, PA 15146	N/A	PC		TO ESTABLISH REDEFINING VALUE IN CARE A PATIENT FOCUSED AND PHYSICIAN LED INITIATIVE DESIGNED TO DECREASE VARIATION IN CARE. ELIMINATE WASTE AND ENHANCE PATIENT SATISFACTION.	70,000
FOREST HILLS ELEMENTARY 547 LOCUST STREET SIDMAN, PA 15955	N/A	SO III NEI		TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN	2,500.

HIGHMARK FOUNDATION

25-1876666

FORM 990-E, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
GEORGE JUNIOR REPUBLIC 233 GEORGE JUNIOR P O BOX 1058 GROVE CITY, PA 16127	N/A PC	TO IMPLEMENT PATH (POINTING ADOLESCENTS TOWARD HEALTH), A HEALTHY LIFESTYLE PROGRAM TO REDUCE CHILDHOOD OBESITY IN 80 OBESE OR OVERWEIGHT BOYS	102,500
GEORGE WARD ELEMENTARY 10007 SENECA TRAIL MILL CREEK, WV 26280	N/A PC	TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN.	2,500
HOLY FAMILY INSTITUTE 8235 OHIO RIVER BOULEVARD PITTSBURGH, PA 15202-1594	N/A PC	TO ESTABLISH THE HEALTHY FOR LIFE PROGRAM FOCUSED ON OVERCOMING BARRIERS TO HEALTHY EATING FACED BY YOUTH AGES 14-17 AND FAMILIES IN-COMMUNITY FAMILY STABILIZATION PROGRAM AND YOUTH IN RESIDENTIAL CARE.	70,880
JAMESON HEALTH SYSTEM 1211 WILMINGTON AVENUE NEW CASTLE, PA 16105	N/A SO II	TO SUPPORT THE PATIENT NAVIGATION PROGRAM	45,000
LANCASTER CLEFT PALATE CLINIC 223 NORTH LIME STREET LANCASTER, PA 17602-2790	N/A PC	TO SUPPORT STAFFING COSTS FOR THE DELIVERY OF INTEGRATED ORAL HEALTH CARE FOR CHILDREN WITH CLEFT PALATES AND CRANIOFACIAL ABNORMALITIES IN CENTRAL PENNSYLVANIA	75,000
LANCASTER GENERAL HOSPITAL 609 N CHERRY STREET LANCASTER, PA 17604-3555	N/A PC	TO ADDRESS HYPERTENSION USING THE HYPERTENSION PROTOCOL PROJECT: AN EVIDENCE-BASED PROTOCOL FOR SCREENING, TREATMENT AND CONTROL OF HYPERTENSIVE PATIENTS	44,222

HIGHMARK FOUNDATION

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FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
LEBANON SCHOOL DISTRICT 1000 SOUTH EIGHTH STREET LEBANON, PA 17042	N/A PC	TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN	2,500.
LINCOLN CHARTER SCHOOL 559 W. KING ST. YORK, PA 17401	N/A PC	TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN	2,500
MONONGAHELIA VALLEY HOSPITAL, INC 1163 COUNTRY CLUB ROAD MONONGAHELIA, PA 15063-1095	N/A PC	TO FUND THE SALARY OF A CLINICAL PHARMACIST TO SUPPORT CARE TRANSITION AND REDUCE HOSPITAL READMISSIONS	37,500
NORTH SIDE CHRISTIAN HEALTH CENTER 816 MIDDLE STREET PITTSBURGH, PA 15212	N/A PC	TO FUND THE SALARIES OF MEDICAL AND DENTAL PROFESSIONALS TO SUPPORT THE INTEGRATION OF ORAL HEALTH AND PRIMARY CARE	125,000.
OLIVE B. LOSS ELEMENTARY 200 BRENNAN BLVD. BEAR, DE 19701	N/A PC	TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN.	2,500.
PENN STATE HERSEY CHILDREN'S 600 CENTERVIEW DRIVE HERSEY, PA 17033-0850	N/A PC	THIS GRANT WAS MADE ON BEHALF OF A RETIRING BOARD MEMBER TO SUPPORT THE PENN STATE HERSEY CHILDREN'S HOSPITAL	5,000

HIGHMARK FOUNDATION

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FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
PENNSYLVANIA STATE UNIVERSITY 110 TECHNOLOGY CENTER BUILDING UNIVERSITY PARK, PA 16802	N/A	PC		TO SUPPORT THE CONTINUATION OF NRG POWERED BY CHOICE PROGRAM ACTIVITIES FOR 2008-2011	180,126.
PINNACLE HEALTH 205 S FRONT STREET, BRADY HALL HARRISBURG, PA 17104	N/A	PC		TO REDUCE REPEAT EMERGENCY ROOM VISITS TO PINNACLEHEALTH BY HAMILTON HEALTH CENNTER PATIENTS BY HELPING THEM LEARN TO MANAGE CHRONIC CONDITIONS THROUGH PATIENT NAVIGATION AS A SYSTEM CARE COORDINATION TEAM.	50,000
PITTSBURGH COMMUNITY SERVICES, INC 249 NORTH CRAIG STREET PITTSBURGH, PA 15213	N/A	PC		TO ESTABLISH THE HEALTHIER COMMUNITIES PILOT PROGRAM TO ADDRESS PHYSICAL ACTIVITY AND NUTRITION BEHAVIORS IN 100 SENIORS RESIDING IN SENIOR RESIDENCES IN ALLEGHENY COUNTY.	37,500
SCHOOL GRANTS - CENTRAL PA	N/A	PC		TO IMPROVE PHYSICAL ACTIVITY AND NUTRITION IS SCHOOL CHILDREN.	66,730.
SCHOOL GRANTS - WESTERN PA	N/A	PC		TO IMPROVE PHYSICAL ACTIVITY AND NUTRITION IS SCHOOL CHILDREN	397,422
SCHOOL GRANTS - WEST VIRGINIA	N/A	PC		TO IMPROVE PHYSICAL ACTIVITY AND NUTRITION IS SCHOOL CHILDREN	42,500

HIGHMARK FOUNDATION

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FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SCHULKILL ALLIANCE FOR HEALTH CARE ACCESS, INC ONE SOUTH SECOND STREET POTTSVILLE, PA 17901	N/A PC		TO INCREASE THE NUMBER OF UNINSURED AND UNDERINSURED RESIDENTS OF SCHUYLKILL COUNTY GAINING ACCESS TO QUALITY LOW-COST PRIMARY HEALTH CARE THROUGH A COORDINATED REFERRAL SYSTEM.	100,000.
SERRA CATHOLIC HIGH SCHOOL 200 HERSHEY DRIVE MCKEESPORT, PA 15132	N/A PC		TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN	2,500.
SOUTH HANOVER ELEMENTARY 15 WEST THIRD STREET HERSHEY, PA 17033	N/A PC		TO ENHANCE OR EXPAND PHYSICAL ACTIVITY AND NUTRITION IN SCHOOL CHILDREN.	2,500.
ST JOSEPH REGIONAL HEALTH NETWORK 145 N. 6TH STREET P O. BOX 316 READING, PA 19603	N/A PC		TO SUPPORT THE DIABETES WELLNESS PROGRAM, WHICH HELP IMPROVE THE HEALTH OF THIS COMMUNITY BY PROVIDING SUPPORT TO HELP OUR PATIENTS UNDERSTAND AND MANAGE THIS CHRONIC DISEASE	50,000
ST. VINCENT HEALTH SYSTEM 232 WEST 25TH STREET ERIE, PA 16544	N/A SO I		TO SUPPORT THE PATIENT NAVIGATION PROGRAM.	45,000
STRONG WOMEN, STRONG GIRLS 1901 CENTRE AVENUE, SUITE 103 PITTSBURGH, PA 15219	N/A PC		TO PILOT STRONG WOMEN STRONG GIRLS GET ACTIVE' PHYSICAL FITNESS AND NUTRITION CURRICULUM TO ADDRESS OBESITY IN 40-50 AFRICAN AMERICAN GIRLS IN GRADES 3-5.	111,650

HIGHMARK FOUNDATION

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FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 12 (CONT'D)

RECIPIENT NAME AND ADDRESS		RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
WELLSPAN HEALTH 50 N. DUKE STREET, 2ND FLOOR YORK, PA 17401	N/A SO I	N/A PC	N/A PC	TO SUPPORT A LEARNING COLLABORATIVE FOR SUPER-UTILIZER PROJECTS AMONG HEALTH SYSTEMS BY CREATING A LEARNING COMMUNITY TO SHARE IDEAS, BEST PRACTICES, PATIENT DATA, AND COST SAVINGS TO TRANSFORM DELIVERY OF HEALTH CARE IN THE CENTRAL PENNSYLVANIA REGION.	60,872.
				TO STRENGTHEN THE ROLE OF NONPROFIT ORGANIZATIONS IN ENROLLING WEST VIRGINIANS IN MEDICAID AND THE QUALIFIED HEALTH PLANS IN THE HEALTH INSURANCE MARKETPLACE	100,000
				TO SUPPORT MCDOWELL COUNTY CHOICES (CHILDREN'S HEALTH OPPORTUNITIES INVOLVING COORDINATED EFFORTS IN SCHOOLS) AN INTEGRATED APPROACH TO CHILDHOOD AND ADOLESCENT HEALTH.	102,000
WEST VIRGINIA UNIVERSITY FOUNDATION P O. BOX 1650 MORGANTOWN, WV 26507	N/A PC	N/A PC	N/A PC	TO SUPPORT A PLANNING GRANT TO ASSIST WITH THE CREATION OF THE MCDOWELL CHOICES PROGRAM	75,000
				TO SUPPORT SCHOOL AND COMMUNITY SYSTEMS TO STRENGTHEN BULLYING PREVENTION EFFORTS THROUGH INFORMED AND COLLABORATIVE PRACTICE, WITH A FOCUS ON THE UNIQUE NEEDS OF URBAN SCHOOL DISTRICTS	178,500.

TOTAL CONTRIBUTIONS PAID

3,297,895.

HIGHMARK FOUNDATION

25-1876666

FORM 990-EF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ACHIEVA 711 BINGHAM STREET PITTSBURGH, PA 15203	N/A PC	TO SUPPORT THE PILOT WAITING LIST REDUCTION INITIATIVE AN INNOVATIVE SOLUTION TO REDUCE WAITING LIST FOR BASIC SUPPORTIVE AND HEALTH CARE SERVICES.	75,000.
ALLEGHENY COUNTY EMS COUNCIL 400 N LEXINGTON ST PITTSBURGH, PA 15208	N/A PC	TO CREATE AN INNOVATIVE EMS-BASED PILOT PROGRAM FOR VULNERABLE PATIENTS IN THE CITY OF PITTSBURGH AND SURROUNDING NEIGHBORHOODS AND TO ENSURE COMMUNITIES RECEIVE HIGH-QUALITY MEDICAL SERVICES THROUGH THE CONNECT COMMUNITY PARAMEDIC PROGRAM.	68,750.
ALLEGHENY HEALTH NETWORK 30 ISABELLA STREET PITTSBURGH, PA 15212	N/A PC	PROPOSED INTERVENTION/PROJECT SERVICE DELIVERY SYSTEM 'FRONTLINE AND FOLLOW-UP SYSTEM' PROVIDING DIRECT PATIENT VISITS AND OVERSIGHT OF THE PROGRAM.	149,195
BUTLER COMMUNITY HEALTH CLINIC 103 BONNIE DRIVE BUTLER, PA 16002	N/A PC	TO PROVIDE SUPPORT OF A MULTIFACETED DIABETES MANAGEMENT PROGRAM THAT PROVIDES HIGH-QUALITY EDUCATION, MEDICAL AND DENTAL SERVICES TO UNINSURED INDIVIDUALS IN BUTLER COUNTY.	75,000
CATHOLIC CHARITIES, DIOCESE OF PITTSBURGH, INC 212 NINTH STREET PITTSBURGH, PA 15222	N/A PC	TO INCREASE ACCESS TO PRIMARY HEALTH, DENTAL AND SPECIALTY CARE FOR UNDERSERVED POPULATIONS IN SOUTHWESTERN PENNSYLVANIA AT THE CATHOLIC CHARITIES FREE HEALTH CARE CENTER. INCLUDES A GRANT OF \$K MADE ON BEHALF OF A RETIRING BOARD MEMBER TO SUPPORT HEALTH OF THE UNDERSERVED IN SWPA AT THE CATHOLIC CHARITIES CENTER	105,000



HIGHMARK FOUNDATION

25-1876666

FORM 990EF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

CENTRAL SUSQUEHANNA INTERMEDIATE UNIT  
275 GRANDVIEW AVENUE, SUITE 200  
CAMP HILL, PA 17011

N/A  
PC

TO SUPPORT SCHOOL AND COMMUNITY SYSTEMS TO  
STRENGTHEN BULLYING PREVENTION EFFORTS THROUGH  
INFORMED AND COLLABORATIVE PRACTICE, WITH A FOCUS  
ON THE UNIQUE NEEDS OF URBAN SCHOOL DISTRICTS.

251,700

CHILDREN'S INSTITUTE  
1405 SHADY AVENUE  
PITTSBURGH, PA 15217

N/A  
PC

TO SUPPORT CASE MANAGER SALARY FOR THE MEDICAL  
HOME FOR YOUTH WITH SPECIAL HEALTH CARE NEEDS  
PILOT.

150,000

CHILDREN'S INSTITUTE  
1405 SHADY AVENUE  
PITTSBURGH, PA 15217

N/A  
PC

TO SUPPORT FROM FOOD TO FRAGRANCE: IMPACTS TO  
OUR HEALTH TO ADDRESS THE EFFECTS OF FRAGRANCES  
AND BARRIERS TO DEVELOPING SUCCESSFUL FARM TO  
SCHOOL TO COMMUNITY PROGRAMS HIGHMARK  
FOUNDATION WILL BE THE PRESENTING SPONSOR TO  
THESE ACTIVITIES

36,000

COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA  
222 PINE STREET  
HARRISBURG, PA 17101

N/A  
PC

TO SUPPORT OPERATIONAL COSTS AND FUND A  
MINI-GRANT PROGRAM TO STRENGTHEN THE ROLE OF  
NON-PROFIT ORGANIZATIONS IN PROVIDING OUTREACH  
AND EDUCATION FOR HARD TO REACH POPULATIONS IN 21  
CENTRAL PA COUNTIES SERVED BY HIGHMARK.

45,000.

CONGREGATIONS UNITED FOR NEIGHBORHOOD ACTION  
317 NORTH 4TH STREET  
ALLENTOWN, PA 18102

N/A  
PC

TO SUPPORT THE GREATER LEHIGH VALLEY SUPER  
UTILIZER AND NEIGHBORHOOD HOT SPOT MODEL TO  
REDUCE EMERGENCY ROOM USE AND HOSPITAL  
READMISSIONS IN THE LEHIGH VALLEY

71,915.

ERIE COUNTY DIABETES ASSOCIATION  
1128 STATE STREET, SUITE 302  
ERIE, PA 16501

N/A  
PC

TO SUPPORT DIABETES PREVENTION AND INTERVENTION  
PROGRAMMING FOR 550 UNINSURED AND UNDERINSURED  
PRE-AND DIABETIC INDIVIDUALS

125,000

HIGHMARK FOUNDATION

25-1876666

FORM 990PE, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FORT CHERRY ELEMENTARY SCHOOL 110 FORT CHERRY ROAD MCDONALD, PA 15057	N/A PC	IMPLEMENTATION OF A YEAR-LONG PROGRAM WHICH FEATURES A DIFFERENT PHYSICAL ACTIVITY AND THEME EACH MONTH. WEEKLY CLASSES ARE OFFERED TO STUDENTS, PARENTS AND COMMUNITY FORT CHERRY WAS RECENTLY FEATURED AS A BEST-PRACTICE SCHOOL IN A PRO WELLNESS WEBINAR.	6,000
FOREST HILLS ELEMENTARY SCHOOL 549 LOCUST STREET SIDMAN, PA 15955	N/A SO III NEI	EXPANSION OF AN AFTER-SCHOOL SWIMMING PROGRAM CONDUCTED DURING THE WINTER MONTHS WHEN CHILDREN TEND TO BE INDOORS AND LESS ACTIVE INITIAL PROGRAM FOCUSED ON 2ND & 3RD GRADERS BUT WILL NOW BE OFFERED TO ALL ELEMENTARY GRADES	6,000
GEORGE JUNIOR REPUBLIC 233 GEORGE JUNIOR P O BOX 1058 GROVE CITY, PA 16127	N/A PC	TO IMPLEMENT PATH (POINTING ADOLESCENTS TOWARD HEALTH), A HEALTHY LIFESTYLE PROGRAM TO REDUCE CHILDHOOD OBESITY IN 80 OBESE OR OVERWEIGHT BOYS	44,500
HARRISBURG SCHOOL DISTRICT 2101 N FRONT STREET BUILDING 2 HARRISBURG, PA 17110	N/A PC	EXPANSION OF A SOCCER CAMP PROGRAM IN PARTNERSHIP WITH THE MAJOR PREPARATION YOUTH PROGRAM STUDENTS WILL PARTICIPATE IN A SOCCER CAMP 2 TIMES PER WEEK FOR 1-2 HOURS PER SESSION. KEY COMPONENTS OF THE PROGRAM ALSO INCLUDE CONCUSSION AWARENESS TRAINING, SPORTS SAFETY, AND HEALTHY NUTRITION	6,000
HIGHLANDS HOSPITAL 401 EAST MURPHY AVENUE CONNELLSVILLE, PA 15425-2797	N/A PC	TO SUPPORT A PLANNING GRANT TO ASSIST WITH THE CREATION OF THE WOMEN'S CENTER OF EXCELLENCE.	25,000.

HIGHMARK FOUNDATION

25-1876666

FORM 990-E, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
HOMER CENTER JR/SR HIGH SCHOOL 70 WILDCAT LANE HOMER CITY, PA 15748	N/A PC		EBGC AND HOMER SD WILL PARTNER TO CREATE EVIDENCE-BASED PHYSICAL ACTIVITY PROGRAMS THAT ARE EASILY IMPLEMENTED IN CLASSROOMS AND OTHER INDOOR VENUES, ENCOURAGING FAMILY & COMMUNITY INVOLVEMENT.	5,000
HOSPITAL COUNCIL OF WESTERN PENNSYLVANIA 500 COMMONWEALTH DRIVE WARRENDALE, PA 15086	N/A PC		TO SUPPORT THE PROJECT MANAGER POSITION FOR THE REGIONAL HEALTH LITERACY COUNCIL	75,000
JEWISH HEALTHCARE FOUNDATION CENTRE CITY TOWER 650 SMITHFIELD STREET, SUITE 2440 PITTSBURGH, PA 15222	N/A PC		TO FUND A PORTION OF SALARY FOR A PROGRAM COORDINATOR AND MINI-GRANT PROGRAM	45,000.
MILLERSBURG JR/SR HIGH SCHOOL 799 CENTER STREET MILLERSBURG, PA 17061	N/A PC		PHYSICAL EDUCATION DEPT WILL PARTNER WITH THE YMCA TO PROVIDE CARDIO KICKBOXING AT LEAST 2X/WEEK TO INCREASE PHYSICAL ACTIVITY AND ADDRESS PROBLEMATIC ANGER MANAGEMENT ISSUES	5,000
MONONGAHELIA VALLEY HOSPITAL, INC 1163 COUNTRY CLUB ROAD MONONGAHELIA, PA 15063-1095	N/A PC		TO FUND THE SALARY OF A CLINICAL PHARMACIST TO SUPPORT CARE TRANSITION AND REDUCE HOSPITAL READMISSIONS.	37,500
NORTHERN LEBANON MIDDLE SCHOOL 345 SCHOOL DRIVE P O BOX 100 FREDERICKSBURG, PA 17026	N/A PC		DEVELOPMENT OF AN AFTER-SCHOOL INTRAMURAL SPORTS PROGRAM AND A FAMILY FITNESS CHALLENGE COMPETITION TO ENCOURAGE COMMUNITIES AND FAMILIES TO GET ACTIVE AND CONTINUE PHYSICAL ACTIVITY AT HOME	5,000

HIGHMARK FOUNDATION

25-1876666

FORM 990BF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
PENNS MANOR SR HIGH SCHOOL 6003 ROUTE 553 HIGHWAY CLYMER, PA 15728	N/A PC	DEVELOPMENT OF AN 8-MONTH FITNESS AND NUTRITION EDUCATION AFTER-SCHOOL PROGRAM. "FAMILY FITNESS FUN DAY" WILL BE HELD DURING THE SUMMER TO ENGAGE PARENTS	6,000.
PENNSYLVANIA STATE UNIVERSITY COLLEGE OF NURSING 600 CENTERVIEW DRIVE HERSHEY, PA 17033-0850	N/A PC	TO SUPPORT 'IMPROVING RURAL GERIATRIC CARE THROUGH EDUCATION,' A PROGRAM DESIGNED TO PROVIDE GERIATRIC EDUCATION AND TRAINING FOR RURAL HEALTH CARE PROVIDERS PRACTICING IN EIGHT CRITICAL ACCESS HOSPITALS THROUGHOUT THE REGION	110,000
PENNSYLVANIA STATE UNIVERSITY 110 TECHNOLOGY CENTER BUILDING UNIVERSITY PARK, PA 16802	N/A PC	TO SUPPORT THE CONTINUATION OF NRG POWERED BY CHOICE PROGRAM ACTIVITIES FOR 2008-2011.	500,829.
PITTSBURGH COMMUNITY SERVICES, INC. 249 NORTH CRAIG STREET PITTSBURGH, PA 15213	N/A PC	TO ESTABLISH THE HEALTHIER COMMUNITIES PILOT PROGRAM TO ADDRESS PHYSICAL ACTIVITY AND NUTRITION BEHAVIORS IN 100 SENIORS RESIDING IN SENIOR RESIDENCES IN ALLEGHENY COUNTY	37,500.
PUNKSUTAWNEY AREA HOSPITAL 81 HILLCREST DRIVE PUNKSUTAWNEY, PA 15767	N/A PC	PROPOSED INTERVENTION/PROJECT SERVICE DELIVERY SYSTEM: 'FRONTLINE AND FOLLOW-UP SYSTEM' PROVIDING DIRECT PATIENT VISITS AND OVERSIGHT OF THE PROGRAM.	50,000.
RAND CORPORATION 4570 FIFTH AVENUE SUITE 600 PITTSBURGH, PA 15213-2665	N/A PC	TO SUPPORT THE PITTSBURGH HILL/HOMEWOOD RESEARCH ON EATING, SHOPPING AND HEALTH (PHRESH) AND ITS SISTER PROJECT, PHRESH PLUS. RESEARCH ON EXERCISE, NEIGHBORHOODS AND HEALTH TO ADDRESS OBESITY	55,400.

HIGHMARK FOUNDATION

25-1876666

FORM 990-E, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 13 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

UNITED AREA SENIOR HIGH SCHOOL  
10780 ROUTE 56 HIGHWAY EAST  
ARMAGH, PA 15920

N/A  
PC

DEVELOPMENT OF AN 8-MONTH FITNESS AND NUTRITION  
EDUCATION AFTER-SCHOOL PROGRAM. "FAMILY FITNESS  
FUN DAY WILL TAKE PLACE DURING THE SUMMER TO  
ENGAGE PARENTS

6,000

WELLSPAN HEALTH  
50 N. DUKE STREET  
2ND FLOOR  
YORK, PA 17401

N/A  
SO I

TO SUPPORT A LEARNING COLLABORATIVE FOR  
SUPER-UTILIZER PROJECTS AMONG HEALTH SYSTEMS BY  
CREATING A LEARNING COMMUNITY TO SHARE IDEAS,  
BEST PRACTICES, PATIENT DATA, AND COST SAVINGS TO  
TRANSFORM DELIVERY OF HEALTH CARE IN THE CENTRAL  
PENNSYLVANIA REGION.

64,128

WEST VIRGINIA UNIVERSITY FOUNDATION  
P.O. BOX 1650  
MORGANTOWN, WV 26507

N/A  
PC

TO SUPPORT MCDOWELL COUNTY CHOICES (CHILDREN'S  
HEALTH OPPORTUNITIES INVOLVING COORDINATED  
EFFORTS IN SCHOOLS). AN INTEGRATED APPROACH TO  
CHILDHOOD AND ADOLESCENT HEALTH

102,000

WINDBER RESEARCH INSTITUTE  
620 SEVENTH AVENUE  
WINDBER, PA 15963

N/A  
PC

TO SUPPORT SCHOOL AND COMMUNITY SYSTEMS TO  
STRENGTHEN BULLYING PREVENTION EFFORTS THROUGH  
INFORMED AND COLLABORATIVE PRACTICE, WITH A FOCUS  
ON THE UNIQUE NEEDS OF URBAN SCHOOL DISTRICTS.

178,500

TOTAL CONTRIBUTIONS APPROVED

2,522,917



## Independent Auditor's Report

To the Board of Directors of  
Highmark Foundation

We have audited the accompanying financial statements of the Highmark Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2013 and 2012 and the related statements of activities and changes in net assets and cash flows for the years then ended

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation at December 31, 2013 and 2012, and the results of its activities and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

June 20, 2014

**Highmark Foundation**  
**Statements of Financial Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 978,120	\$ 2,580,930
Investments, available-for-sale at fair value	15,695,318	18,663,004
Investment income receivable	53,219	92,330
Prepaid expenses	14,684	555,342
Equipment, net	12,601	17,049
Total assets	<u>\$ 16,753,942</u>	<u>\$ 21,908,655</u>
 <b>Liabilities and Net Assets</b>		
Grants payable	\$ 2,522,528	\$ 1,607,884
Other payables and accrued expenses	51,275	610,360
Total liabilities	<u>2,573,803</u>	<u>2,218,244</u>
Unrestricted net assets	<u>14,180,139</u>	<u>19,690,411</u>
Total net assets	<u>14,180,139</u>	<u>19,690,411</u>
Total liabilities and net assets	<u>\$ 16,753,942</u>	<u>\$ 21,908,655</u>

The accompanying notes are an integral part of these financial statements

**Highmark Foundation**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended December 31, 2013 and 2012**

	2013	2012
<b>Revenues</b>		
Highmark Inc. donated services	\$ 573,166	\$ 753,491
Contributions	1,000	-
Net investment income	181,938	179,042
Net realized gain on investments	-	256,793
Total revenues	<u>756,104</u>	<u>1,189,326</u>
<b>Expenses</b>		
Grants	4,212,539	3,155,015
Educational	313,983	422,933
Contracts	918,114	1,914,458
Excise taxes	664	22,844
Highmark Inc. donated services	573,166	753,491
Other	58,774	79,190
Total expenses	<u>6,077,240</u>	<u>6,347,931</u>
Excess of expenses over revenue	(5,321,136)	(5,158,605)
Net unrealized loss on investments	<u>(189,136)</u>	<u>(46,588)</u>
Change in net assets	(5,510,272)	(5,205,193)
Net assets at beginning of year	<u>19,690,411</u>	<u>24,895,604</u>
Net assets at end of year	<u>\$ 14,180,139</u>	<u>\$ 19,690,411</u>

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



**Highmark Foundation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2013 and 2012**

	2013	2012
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (5,510,272)	\$ (5,205,193)
Adjustments to reconcile change in net assets to net cash used in operating activities.		
Depreciation	4,448	4,448
Net realized gain on investments	-	(256,793)
Net unrealized loss (gain) on investments	189,136	46,588
Increase (decrease) due from changes in		
Investment income receivable	39,111	(34,976)
Prepaid expenses	540,658	721,478
Grants payable	914,644	(1,352,720)
Other payables and accrued expenses	(559,085)	455,967
Net cash used in operating activities	<u>(4,381,360)</u>	<u>(5,621,201)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(10,423,495)	(17,028,228)
Proceeds from sales of investments	8,302,045	17,614,235
Proceeds from maturities of investments	4,900,000	1,250,000
Net cash provided by investing activities	<u>2,778,550</u>	<u>1,836,007</u>
Net decrease in cash and cash equivalents	(1,602,810)	(3,785,194)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>2,580,930</u>	<u>6,366,124</u>
End of year	<u>\$ 978,120</u>	<u>\$ 2,580,930</u>

The accompanying notes are an integral part of these financial statements

# Highmark Foundation

## Notes to Financial Statements

### December 31, 2013 and 2012

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#### 1. Description of Business

##### Nature of Organization

The Highmark Foundation (the "Foundation") is a not-for-profit affiliate of Highmark Inc. ("Highmark"). The Foundation was incorporated on December 14, 2000 under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania.

The Foundation exists exclusively for charitable, scientific and educational purposes, and undertakes charitable endeavors of Highmark, including but not limited to, providing grants to organizations to promote the health and well-being of the communities served by Highmark.

#### 2. Summary of Significant Accounting Policies

##### Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

##### Basis of Financial Presentation

Net assets and revenues are not subject to donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as unrestricted net assets.

Revenues are reported as increases to unrestricted net assets. Expenses are reported as decreases to unrestricted net assets.

Net investment income and net realized gain on investments are reported as changes in unrestricted net assets as the terms of gifts do not impose restrictions on the use of the income or gains or losses.

##### New Accounting Pronouncements

In June 2013, FASB issued amended guidance that requires a not-for-profit entity to recognize in its standalone financial statements all personnel services received from an affiliate that directly benefit the recipient. The new guidance is effective for not-for-profit entities in fiscal years beginning after June 15, 2014. The Foundation does not expect adoption of the new guidance to have a material impact on the financial position, results of activities and cash flows.

In October 2012, Financial Accounting Standards Board ("FASB") amended current guidance to require Not-for-Profit entities to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that were converted nearly immediately into cash. The new guidance is effective for Not-for-Profit entities in fiscal years beginning after June 15, 2013. The Foundation does not expect adoption of the new guidance to have a material impact on the financial position, results of activities and cash flows.

In December 2011, FASB issued amended guidance that requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The adoption of this guidance on January 1, 2013 did not have an impact on the financial position, results of activities and cash flows.

##### Use of Estimates

The preparation of the Foundation's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

# **Highmark Foundation**

## **Notes to Financial Statements**

### **December 31, 2013 and 2012**

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#### **Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. A substantial portion of cash and cash equivalents is held with one financial institution.

#### **Investments**

All debt securities are classified as available-for-sale investments and are carried at fair value (based on quoted or estimated market prices), and unrealized gains and losses are reported in net unrealized loss on investments. Realized gains and losses are based on amortized cost.

In determining if a debt security is other-than-temporarily impaired, the Foundation considers whether it has intent to sell the debt security or whether it is more likely than not that the Foundation will be required to sell the debt security before recovery of its amortized cost basis, which may be at maturity. If the Foundation intends to sell the debt security or it is more likely than not that the Foundation will be required to sell the debt security before recovery of its cost basis, an other-than-temporary impairment is recorded as a realized loss in the statements of activities and changes in net assets for the difference between fair value and amortized cost.

If the Foundation does not have the intent to sell and it does not believe that it is more likely than not that it will be required to sell the debt security before recovery of its amortized cost, the Foundation performs a detailed review to determine the underlying cause of the unrealized loss and whether an other-than-temporary impairment is warranted. At the time a debt security is determined to be other-than-temporarily impaired, the credit component of the other-than-temporary impairment is recorded as a realized loss in the statements of activities and changes in net assets and the non-credit component of the other-than-temporary impairment is recorded in net unrealized loss on investments.

The Foundation's assets are invested in a variety of financial instruments. Accordingly, the related values as presented in the financial statements are subject to various market fluctuations, which include changes in the interest rate environment, equity markets and general economic conditions.

#### **Fair Value of Financial Instruments**

In accordance with the FASB Accounting Standards Codification ("ASC") fair value measurements guidance, financial assets and liabilities recorded at fair value in the statements of financial position are categorized based upon the level inputs used to measure their fair value.

#### **Equipment, net**

Equipment is recorded at cost, net of accumulated depreciation. Maintenance, repairs and minor improvements are expensed as incurred. Depreciation is computed under the straight-line method over the estimated useful life of 10 years.

#### **Prepaid expenses**

Certain contracts are paid for in advance of the time the services will be received. The expense for these services will be recognized during the period in which the contracted services are completed.

#### **Revenue recognition**

Contributed services support from Highmark were recorded at fair value using Highmark's cost as the basis.

Interest and dividend income is recorded on the accrual basis.

**Highmark Foundation**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

**Grants**

Grants are recorded when approved by the Board of Directors. The Foundation approves certain grants with various conditions. If, however, the probability is remote that the grantees will not meet the conditions, these conditional grants are accounted for as grants payable when approved by the Board of Directors.

**Subsequent Events**

In connection with the preparation of the financial statements, the Foundation evaluated events subsequent to the balance sheet date of December 31, 2013 through the Independent Auditor's Report date, which is also the date the financial statements were available to be issued, and has determined that all material transactions have been recorded and disclosed properly.

**3. Investments**

The cost or amortized cost, gross unrealized gains and losses and fair value of investments in securities classified as available-for-sale at December 31, 2013 were as follows:

	<b>2013</b>			
	<b>Cost or Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Debt securities				
U.S. Treasury and agency obligations	\$ 7,360,643	\$ 13,342	\$ (122,669)	\$ 7,251,316
Corporate debt securities	7,908,337	27,775	(9,692)	7,926,420
Other debt securities	507,530	10,052	-	517,582
Total debt securities	<u>15,776,510</u>	<u>51,169</u>	<u>(132,361)</u>	<u>15,695,318</u>
<b>Total</b>	<b>\$15,776,510</b>	<b>\$ 51,169</b>	<b>\$ (132,361)</b>	<b>\$15,695,318</b>

The cost or amortized cost, gross unrealized gains and losses and fair value of investments in securities classified as available-for-sale at December 31, 2012 were as follows:

	<b>2012</b>			
	<b>Cost or Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Debt securities				
U.S. Treasury and agency obligations	\$11,100,576	\$ 43,366	\$ -	\$11,143,942
Corporate debt securities	6,943,643	52,218	(1,141)	6,994,720
Other debt securities	510,842	13,500	-	524,342
Total debt securities	<u>18,555,061</u>	<u>109,084</u>	<u>(1,141)</u>	<u>18,663,004</u>
<b>Total</b>	<b>\$18,555,061</b>	<b>\$ 109,084</b>	<b>\$ (1,141)</b>	<b>\$18,663,004</b>

# Highmark Foundation

## Notes to Financial Statements

### December 31, 2013 and 2012

The gross unrealized losses and fair value of investments classified as available-for-sale securities by investment category and length of time an individual security was in a continuous unrealized loss position at December 31, 2013 were as follows.

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities						
U.S. Treasury and agency obligations	\$ 4,727,406	\$ (122,669)	\$ -	\$ -	\$ 4,727,406	\$ (122,669)
Corporate debt securities	2,326,260	(9,692)	-	-	2,326,260	(9,692)
Total debt securities	\$ 7,053,666	\$ (132,361)	\$ -	\$ -	\$ 7,053,666	\$ (132,361)

The gross unrealized losses and fair value of investments classified as available-for-sale securities by investment category and length of time an individual security was in a continuous unrealized loss position at December 31, 2012 were as follows:

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities						
Corporate debt securities	\$ 1,989,765	\$ (1,141)	\$ -	\$ -	\$ 1,989,765	\$ (1,141)
Total debt securities	1,989,765	(1,141)	-	-	1,989,765	(1,141)
Total	\$ 1,989,765	\$ (1,141)	\$ -	\$ -	\$ 1,989,765	\$ (1,141)

At December 31, 2013, the Foundation held debt securities with gross unrealized losses of \$132,361. Management evaluated the unrealized losses and determined that they were due primarily to volatility in the interest rate environment and market conditions. The Foundation does not intend to sell the debt securities and it is not likely that the Foundation will be required to sell the debt securities before recovery of their amortized cost bases, which may be maturity. Therefore, management does not consider the debt securities to be other-than-temporarily impaired as of December 31, 2013.

At December 31, 2013, the Foundation did not hold any equity securities.

**Highmark Foundation**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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The amortized cost and fair value of available-for-sale debt securities at December 31, 2013 are shown below by contractual maturity. Expected maturities could differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<b>Amortized Cost</b>	<b>Fair Value</b>
Due within one year or less	\$ 2,221,752	\$ 2,228,548
Due after one year through five years	13,054,758	13,021,870
Due after five years through ten years	500,000	444,900
Total	<u>\$ 15,776,510</u>	<u>\$ 15,695,318</u>

There were no net realized gains on investments for the year ended December 31, 2013. The following is a summary of gross realized gains on investments for the year ended December 31, 2012:

**2012**

**Debt securities**

Gross realized gains	<u>\$ 1,264</u>
Net realized gain on debt securities	1,264

**Equity securities**

Gross realized gains	<u>255,529</u>
Net realized gain on equity securities	<u>255,529</u>
Net realized gain on investments	<u>\$ 256,793</u>

The following is a summary of net investment income for the years ended December 31, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
<b>Investment income</b>		
Interest on debt securities	\$ 180,683	\$ 165,337
Dividends on equity securities	-	8,636
Interest on cash and cash equivalents	<u>1,255</u>	<u>5,069</u>
Net investment income	<u>\$ 181,938</u>	<u>\$ 179,042</u>

**Highmark Foundation**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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**4. Fair Value of Financial Instruments**

Input levels, as defined by ASC fair value measurements guidance, are as follows.

Level 1 – Pricing inputs are based on unadjusted quoted market prices for identical financial assets in active markets. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis

Level 2 – Pricing inputs are based on other than unadjusted quoted prices in active markets included in Level 1 and include observable unadjusted quoted market prices for similar financial assets or liabilities in active markets or quoted market prices for identical assets in inactive markets.

Level 3 – Pricing inputs include unobservable inputs that are supported by little or no market activity and that reflect management's best estimate of what market participants would use in pricing the asset at the measurement date

The following methods and assumptions were used to determine the fair value of each class of the following assets and liabilities recorded at fair value in the statements of financial position

*Cash equivalents.* Cash equivalents consisted primarily of highly rated money market funds with maturities of three months or less and bank deposits, and are purchased or deposited at par value with specified yield rates. Due to the high ratings and short-term nature of the funds, all cash equivalents are designated as Level 1.

*Debt securities, available-for-sale:* Fair values of available-for-sale debt securities are based on quoted market prices, where available. These fair values are obtained primarily from a third party pricing service, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities include corporate securities, obligations of states and political subdivisions of the U.S. and mortgage-backed securities. For securities not actively traded, the third party pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

The Foundation uses a third party pricing service to obtain quoted prices for each security. The third party service provides pricing based on recent trades of the specific security or like securities, as well as a variety of valuation methodologies for those securities where an observable market price may not exist. The third party service may derive pricing for Level 2 securities from market corroborated pricing, matrix pricing, and inputs such as yield curves and indices. The Foundation performs an analysis of reasonableness of the prices received for fair value by monitoring month-to-month fluctuations and determining reasons for significant differences, selectively testing fair values against prices obtained from other sources, and comparing the combined fair value of a class of assets against an appropriate index benchmark. The Foundation did not make adjustments to the quoted market prices obtained from third party pricing services during the years ended December 31, 2013 and 2012 that were material to the financial statements.

**Highmark Foundation**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

The following table summarizes fair value measurements by level at December 31, 2013 for financial assets measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
<b>Assets</b>				
Cash and cash equivalents	\$ 978,120	\$ 978,120	\$ -	\$ -
Investments, available for sale				
Debt securities				
U S Treasury and agency obligations	7,251,316	-	7,251,316	-
Corporate debt securities	7,926,420	-	7,926,420	-
Other debt securities	517,582	-	517,582	-
Total debt securities	15,695,318	-	15,695,318	-
<b>Total assets</b>	<b>\$ 16,673,438</b>	<b>\$ 978,120</b>	<b>\$ 15,695,318</b>	<b>\$ -</b>

The following table summarizes fair value measurements by level at December 31, 2012 for financial assets measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
<b>Assets</b>				
Cash and cash equivalents	\$ 2,580,930	\$ 2,580,930	\$ -	\$ -
Investments, available for sale				
Debt securities				
U S Treasury and agency obligations	11,143,942	-	11,143,942	-
Corporate debt securities	6,994,720	-	6,994,720	-
Other debt securities	524,342	-	524,342	-
Total debt securities	18,663,004	-	18,663,004	-
<b>Total assets</b>	<b>\$ 21,243,934</b>	<b>\$ 2,580,930</b>	<b>\$ 18,663,004</b>	<b>\$ -</b>

Transfers between levels, if any, are recorded annually as of the end of the reporting period unless, with respect to a particular issue, a significant event occurred that necessitated the transfer be reported at the date of the event.

There were no material transfers between Levels 1 and 2 during the years ended December 31, 2013 and 2012



**Highmark Foundation**  
**Notes to Financial Statements**  
**December 31, 2013 and 2012**

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**5. Grants Payable**

Grants approved and paid in 2013 and 2012, and grants payable at December 31, 2013 and 2012 were as follows.

Grants Payable, December 31, 2012	2013 Grants		Grants Payable, December 31, 2013
	Approved	Paid	
\$ 1,607,884	\$ 4,212,539	\$ 3,297,895	\$ 2,522,528

Grants Payable, December 31, 2011	2012 Grants		Grants Payable, December 31, 2012
	Approved	Paid	
\$ 2,960,604	\$ 3,155,015	\$ 4,507,735	\$ 1,607,884

All grants payable outstanding at December 31, 2013 are expected to be paid in thirteen months or less

**6. Federal Excise Taxes**

The Foundation has been determined to be an organization which is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), however, a 2% federal excise tax is imposed on net taxable investment income. The Code provides for a reduction in excise tax to 1% if certain conditions are achieved. The Foundation did not meet these conditions in 2013 and 2012 and recorded excise tax expense of \$664 and \$22,844, respectively. The expense is subject to a formula which considers tax basis adjustments. Net investment income differs between tax and financial statement reporting.

**8. Related Party Transactions**

The Foundation receives primarily all of its administrative services for its programs from Highmark. For the year ended December 31, 2013 and 2012, the Foundation recognized \$573,166 and \$753,491, respectively, in contributed services support from Highmark. These contributed services were recorded at fair value and consisted of salaries and benefits, facilities maintenance, and other office and administrative expenses incurred by Highmark in performing program and supporting services. Highmark's cost was the basis for the estimated fair value of these contributed services.