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*.

OMB No. 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning , 2015, and ending , 20

Name of foundation: INDEPENDENCE BLUE CROSS FOUNDATION

A Employer identification number: 36-4685801

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

B Telephone number (see instructions): 2152414065

City or town, state or province, country, and ZIP or foreign postal code: PHILADELPHIA PA 19103

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 61,341,751

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	5,000,000			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	994	994		
	4	Dividends and interest from securities	1,187,974	1,187,974		
	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)		2,039,515		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances 360,725				
	b	Less: Cost of goods sold 248,130				
	c	Gross profit or (loss) (attach schedule)	112,595			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	6,301,563	3,228,483	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	12,200			12,200
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	(23,610			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	388,908	388,908		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	377,498	388,908	0	12,200
	25	Contributions, gifts, grants paid	5,308,991			5,280,482
	26	**Total expenses and disbursements.** Add lines 24 and 25	5,686,489	388,908	0	5,292,682
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	615,074			
	b	**Net investment income** (if negative, enter -0-)		2,839,575		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2015)

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	1,607,960	2,742,981	2,742,981
2	Savings and temporary cash investments			
3	Accounts receivable ▶ 155,729			
	Less: allowance for doubtful accounts ▶	155,729	191,593	191,593
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U.S. and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	34,461,034	32,391,299	32,391,299
c	Investments—corporate bonds (attach schedule)	27,531,037	26,006,395	26,006,395
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ Prepaid Fed Excise Tax)		9,483	9,483
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	63,755,760	61,341,751	61,341,751
Liabilities 17	Accounts payable and accrued expenses	7,469	94,432	
18	Grants payable	1,311,984	478,500	
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 ▶ Deferred Tax Unrlzed Appr on Invest)	94,330	13,671	
23	**Total liabilities** (add lines 17 through 22)	1,413,783	586,603	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	62,341,977	60,755,148	
30	**Total net assets or fund balances** (see instructions)	62,341,977	60,755,148	
31	**Total liabilities and net assets/fund balances** (see instructions)	63,755,760	61,341,751	

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	62,341,977
2	Enter amount from Part I, line 27a	2	615,074
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	62,957,051
5	Decreases not included in line 2 (itemize) ▶ Net Realized & Unrealized gains on Investments	5	2,201,903
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	60,755,148

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	PUBLIC TRADED SECURITIES			
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	64,315,519	0	62,276,004	2,039,515
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	2,039,515
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col. (c))
2014	5,012,163	62,499,641	0.0802
2013	3,873,382	57,594,459	0.0673
2012	5,153,399	44,066,828	0.1169
2011	3,284,458	12,430,997	0.2642
2010	0	82,192	0.0000

2	**Total** of line 1, column (d)	2	0.5286
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.10572
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	64,978,937
5	Multiply line 4 by line 3	5	6,869,573
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	28,396
7	Add lines 5 and 6	7	6,897,969
8	Enter qualifying distributions from Part XII, line 4	8	5,292,682

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	56,792
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	56,792
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	56,792
6	Credits/Payments:				
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	68,571		
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	68,571
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	11,779
11	Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ▶ 11,779 **Refunded** ▶			11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(2)** On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ PENNSYLVANIA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	X	

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

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

Website address ▶ WWW.IBXFOUNDATION.ORG

14 The books are in care of ▶ G. KENNETH ROBINSON, III Telephone no. ▶ 2152414065
Located at ▶ 1901 MARKET STREET, PHILADELPHIA, PA 19103 ZIP+4 ▶ 19103

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 |

			Yes	No
16	At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2015 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 2015.)*	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 2015?	4b		X

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

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

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services . . . . ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 . . . . ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	61,491,190
b	Average of monthly cash balances	1b	4,477,274
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	65,968,464
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	65,968,464
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	989,527
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	64,978,937
6	**Minimum investment return.** Enter 5% of line 5	6	3,248,947

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	3,248,947
2a	Tax on investment income for 2015 from Part VI, line 5	2a	56,792		
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	56,792
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	3,192,155
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	3,192,155
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	3,192,155

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	5,292,682
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	5,292,682
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,292,682

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

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1	Distributable amount for 2015 from Part XI, line 7				3,192,155
2	Undistributed income, if any, as of the end of 2015:				
a	Enter amount for 2014 only				
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2015:				
a	From 2010				
b	From 2011 — 2,663,038				
c	From 2012 — 3,015,509				
d	From 2013 — 1,062,967				
e	From 2014 — 1,970,610				
f	**Total** of lines 3a through e	8,712,124			
4	Qualifying distributions for 2015 from Part XII, line 4: ▶ $ 5,292,682				
a	Applied to 2014, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2015 distributable amount				3,192,155
e	Remaining amount distributed out of corpus	2,100,527			
5	Excess distributions carryover applied to 2015 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	10,812,651			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e	Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f	Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8	Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	10,812,651			
10	Analysis of line 9:				
a	Excess from 2011 — 2,663,038				
b	Excess from 2012 — 3,015,509				
c	Excess from 2013 — 1,062,967				
d	Excess from 2014 — 1,970,610				
e	Excess from 2015 — 2,100,527				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling . . . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE ATTACHMENT

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

SEE ATTACHMENT

c Any submission deadlines:

SEE ATTACHMENT

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

SEE ATTACHMENT

Part XV Supplementary Information *(continued)*

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHMENT				5,280,482
Total . . . . ▶ **3a**				5,280,482
b *Approved for future payment*				
SEE ATTACHMENT				208,500
Total . . . . ▶ **3b**				208,500

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	994	
4 Dividends and interest from securities			14	1,187,974	
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			01	112,595	
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		1,301,563	0

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 1,301,563

(See worksheet in line 13 instructions to verify calculations.)

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee | Date 11/15/16 | Title President

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

Paid Preparer Use Only

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

Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service	**Schedule of Contributors** ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF. ▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990.*	OMB No 1545-0047 **2015**

Name of the organization	Employer identification number
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

Organization type (check one)

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

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

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

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . . . . ▶ $

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

Name of organization	Employer identification number
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	INDEPENDENCE HEALTH GROUP, INC. 1901 MARKET STREET PHILADELPHIA , PA 19103	$ 5,000,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2015

Part I, Analysis of Revenue And Expenses
Line 10a,b & c Gross sales less returns

Line 10a - Golf Fundraising	$272,680
Line 10a - Sponsorships - Nursing Conference	$88,045
Line 10b - Golf Expenses	(126,473)
Line 10b - Nursing Conference Expenses	(121,657)
Line 10c - Gross Profit	$112,595

Part I, Analysis of Revenue And Expenses
Line 16c, Other Professional Fees

Audit Expense	$12,200
	$12,200

Part I, Analysis of Revenue And Expenses
Line 18, Taxes

Excise tax benefits	(23,610)
	(23,610)

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

Bank/Investment Expense	388,908
	$388,908

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2015

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

(A) Name and Address	(B) Title and Average Hours Per Week Devoted to Position	(C) Compensation	(D) Contribution to Employee Health Plan	(E) Expense Accounts
Patrick B Gillespie 4170 Woodhaven Road Philadelphia, PA 19154	Chairman of Board of Directors Less than one hour per week average	None	None	None
Lorina L Marshall-Blake 1901 Market Street Philadelphia, PA 19103	President Greater than one hour per week average	None	None	None
Alan Krigstein 1901 Market Street Philadelphia, PA 19103	Treasurer Less than one hour per week average	None	None	None
Lilton R Taliaferro, Jr, Esq 1901 Market Street Philadelphia, PA 19103	Secretary Greater than one hour per week average	None	None	None
Joan Hilferty 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Paul A Tufano 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Christopher Cashman 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Plato Marinakos 1116 Beech Road Rosemont, PA 19010	Director Less than one hour per week average	None	None	None

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2015

Form 990-PF, Part XV – Supplementary Information

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

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

Line 2(d)

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

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2015

Recipient Name	Recipient Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
11th Street Family Health Services of Drexel	850 N 11th Street Philadelphia PA 19123	PC	Nurse intern	6,503
Abington Health	1200 Old York Road Abington, PA 19001	PC	General Operating Support	50,000
Abington Health Children's Center	51 Medical Campus Drive Lansdale, PA 19446	PC	General Operating Support	20,000
Abington Memorial Hospital Dixon School of Nursing	1200 Old York Road Abington, PA 19001	PC	Undergraduate Scholarship Grant	7,685
Albert Einstein Healthcare	5501 Old York Road Philadelphia PA 19141	PC	General Operating Support	50,000
American Heart Association, Inc	1617 John F Kennedy Blvd Philadelphia PA 19103	PC	Prevention and improvement of cardiovasuclar disease in West Philadelphia	10,000
Ann Silverman Community Health Clinic	595 West State Street Doylestown PA 18901	PC	General Operating Support	75,000
Aria Health Center Clinic	5000 Frankford Avenue Philadelphia PA 19124	PC	General Operating Support	25,000
Aria Health School of Nursing	4918 Penn Street Philadelphia, PA 19124	PC	Undergraduate Scholarship Grant	4,671
Association for Adults with Developmental Disabilities	261 Old York Rd Jenkintown, PA 19046	PC	Education program for special needs adjults to develop independent living skills	6,000
Athlete Health Organization	92 Bethlehem Pike Philadelphia, PA 19118	PC	Access to screenings, awareness and education for athletes and families	10,000
Augustinian Defenders of the Rights	1400 Lombard Street Philadelphia, PA 19146	PC	General Operating Support	15,000
Back on My Feet	100 S Broad St Ste 2136 Philadelphia, PA 19110	PC	Social development program fro homeless individuals	10,000
Boy Scouts of America	1485 Valley Forge Road Wayne, PA 19087	PC	Youth development program	25,000
Bucks County Community College Foundation	275 Swamp Road Newtown, PA 18940	PC	Undergraduate Scholarship Grant	7,083
Bucks County Health Improvement Partnership	Bensalem Sq Shopping Ctr 2546 B Knights Road Bensalem, PA 19020	PC	General Operating Support	75,000
Center for Arts & Technology CCIU Practical Nursing Program	443 Boot Road Downington, PA 19335	PC	Undergraduate Scholarship Grant	4,445
ChesPenn Health Services	2600 West 9th Street, 2 No Chester, PA 19013	PC	Nurse Intern	8,551
ChesPenn Health Services	2600 West 9th Street, 2 No Chester, PA 19013	PC	Patient Call Center Project	75,000
ChesPenn Health Services/Center for Family Health at Coatesville	744 East Lincoln Hwy Ste 110 Coatesville PA 19320	PC	General Operating Support	75,000
ChesPenn Health Services/Center for Family Health at Eastside & Center for Family Health at Community Hospital	2600 W 9th St & 125 E 9th St Chester, PA 19013	PC	General Operating Support	100,000
ChesPenn Health Services/Center for Family Health at Upper Darby	5 South State Road Upper Darby PA 19082	PC	General Operating Support	50,000
Child and Family Connections Inc	314 N 12th Street, Suite 304 Philadelphia PA 19107	PC	Mental Health resource for family members	10,000
Children's Health Center of VNA, Inc.	1421 Highland Avenue Abington, PA 19001	PC	Nurse Intern	5,950
Citizens Acting Together Can Help, Inc. (CATCH)	1409 Lombard Street Philadelphia PA 19146	PC	Patriot House. homeless veterans program	15,000
Common Market Philadelphia, Inc.	428 E Erie Ave Philadelphia, PA 19134	PC	Funding for evaluation of the Delaware Valley farm share program	25,000
Community College of Philadelphia Foundation	1700 Spring Garden Street Philadelphia, PA 19130	PC	Undergraduate Scholarship Grant	6,480
Community Volunteers in Medicine (CVIM)	300 B Lawrence Drive Chester, PA 19380	PC	General Operating Support	100,000
Community Volunteers in Medicine (CVIM)	300 B Lawrence Drive Chester PA 19380	PC	Mobile Dental Pilot	75,000
Congreso de Latinos Unidos / Congreso Community Health Center	216 West Somerset Street Philadelphia, PA 19133	PC	General Operating Support	50,000

Congreso Health Center	412 West Lehigh Avenue Philadelphia PA 19133	PC	Nurse Intern	5,542
Delaware County Community College Nursing Program	901 South Media Line Road Media, PA 19063	PC	Undergraduate Scholarship Grant	11,001
Delaware Valley Community Health, Inc. /Fairmount Primary Care Center	1412 22 Fairmont Avenue Philadelphia, PA 19130	PC	Nurse Intern	6,503
Delaware Valley Community Health, Inc. /Fairmount Primary Care Center	1412 22 Fairmont Avenue Philadelphia, PA 19130	PC	General Operating Support	75,000
Delaware Valley Community Health, Inc. /Maria de los Santos Health Center	401-405 W Allegheny Ave Philadelphia, PA 19130	PC	General Operating Support	100,000
Delaware Valley Community Health, Inc. /Norristown Regional Health Center	1401 DeKalb Pike Norristown PA 19401	PC	General Operating Support	75,000
Drexel University - Program Evaluator	245 N 15th Street, MS 501 Philadelphia, PA 19102	PC	Healthy Futures	110,101
Drexel University College of Nursing and Health Professions	245 N 15th Street, MS 501 Philadelphia PA 19102	PC	Undergraduate Scholarship Grant	28,933
Drexel University College of Nursing and Health Professions	245 N 15th Street, MS 501 Philadelphia PA 19102	PC	Graduate Scholarship Grant	241,904
Eagles Charitable Foundation	One NovaCare Way Philadelphia, PA 19145	PC	General Operating Grant	50,000
Eastern Center for Arts & Technology Practical Nursing Program	3075 Terwood Road Willow Grove, PA 19090	PC	Undergraduate Scholarship Grant	5,350
Eastern University Department of Nursing	1300 Eagle Road St. Davids, PA 19087	PC	Undergraduate Scholarship Grant	4,219
Esperanza Health Center, Inc.	3156 Kensington Avenue Philadelphia, PA 19134	PC	Enhanced Patient Communication Project	33,500
Esperanza Health Center, Inc.	3156 Kensington Avenue Philadelphia, PA 19134	PC	General Operating Support	100,000
Face to Face	109 East Price Street Philadelphia, PA 19144	PC	General Operating Support	15,000
Family Practice & Counseling Network/ Health Annex	6120 Woodland Ave 2nd Floor Philadelphia, PA 19143	PC	General Operating Support	75,000
Family Practice & Counseling Network/ Abbottsford Falls Health Center Primary Care	4700 Wissahickon Avenue Bldg D - Box 110, Suite 118 Philadelphia, PA 19144	PC	Trauma informed program	30,000
Family Practice & Counseling Network/ Abbottsford Falls Health Center Primary Care	4700 Wissahickon Avenue Bldg D Box 110, Suite 118 Philadelphia, PA 19144	PC	General Operating Support	50,000
Gearing Up	1221 Locust Street Philadelphia, PA 19107	PC	Re-entry for women in transition	10,000
GenYOUth Play 60 Pilot	515 Madison Avenue, 26 Fl New York, NY 10022	PC	To improve school wellness	24,999
Girls Inc of Greater Philadelphia & Southern New Jersey	1315 Walnut Street Ste1400 Philadelphia PA 19107	PC	Preventative health program for Latina teenages and youth	5,000
Girls on the Run Philadelphia	P O Box 30072 Philadelphia, PA 19103	PC	Youth development running program	5,000
Green Tree School	1196 East Washington Lane Philadelphia PA 19138-1044	PC	Program for social and emotional health skills for underserved youth	10,038
Gwynedd-Mercy College, Frances M Maguire School of Nursing	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Undergraduate Scholarship Grant	21,097
Gwynedd-Mercy College, Frances M Maguire School of Nursing	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Doctoral Nursing	9,783
Gwynedd-Mercy College, Frances M Maguire School of Nursing	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Graduate Scholarship Grant	13,706
Gwynedd-Mercy College/ Adult Health Center	51 Medical Campus Drive Lansdale, PA 19437	PC	General Operating Support	60,000
Headstrong Foundation	232 Green Street Holmes, PA 19043	PC	Addresses primary needs of cancer patients after discharge from treatment	10,000
Health Link Dental Center	1775 Street Road Southampton, PA 18966	PC	General operating support	50,000
Holy Family University	9801 Frankford Ave Philadelphia, PA 19114	PC	Graduate Scholarship Grant	13,144
Holy Family University	9801 Frankford Ave Philadelphia, PA 19114	PC	Undergraduate Scholarship Grant	10,624
Immaculata University Division of Nursing	1145 King Road P O Box 691 Immaculata, PA 19345-691	PC	Graduate Scholarship Grant	24,160
Immaculata University Division of Nursing	1145 King Road, P.O Box 691 Immaculata, PA 19345	PC	Undergraduate Scholarship Grant	27,125

Kids Smiles, Inc / West Philadelphia Dental Center	3751 Island Avenue 2nd Floor Philadelphia PA 19153	PC	General operating support	50,000
La Comunidad Hispana, Inc / La Comunidad Hispana Health Center	731 West Cypress Street Kennett Square PA 19348	PC	General operating support	75,000
La Salle University School of Nursing and Health Sciences	1900 West Olney Avenue Box 808 Philadelphia PA 19141	PC	Mature health connections provides education and screenings for seniors	10,000
La Salle University School of Nursing and Health Sciences	1900 West Olney Avenue Box 808 Philadelphia, PA 19141	PC	Graduate Scholarship Grant	77,100
La Salle University School of Nursing and Health Sciences	1900 West Olney Avenue Box 808 Philadelphia PA 19141	PC	Undergraduate Scholarship Grant	16,200
La Salle University School of Nursing and Health Sciences	1900 West Olney Avenue Box 808 Philadelphia PA 19141	PC	Doctor of Nursing Practice Scholarship Grant	40,000
Legal Clinic for the Disabled	1513 Race Street Philadelphia, PA 19103	PC	Program to secure equality for low income, disabled individuals	20,000
Looking Ahead Inc	39 Iron Hill Road Doylestown PA 18901	PC	Provides advanced-care planning consultations in vulnerable communities	15,000
Malvern Retreat House	315 S Warren Avenue Malvern PA 19355	PC	Retreats for veterans suffering from PTSD	10,000
Mary Howard Health Center	125 S 9th St Philadelphia, PA 19107	PC	Nurse Intern	5,542
Maternity Care Coalition	2000 Hamilton Street Philadelphia, PA 19130	PC	Pilot program to mobilize maternal wellness services	15,000
Mayor's Fund for Philadelphia - Philadelphia Meals and More	City Hall, Room 708 Philadelphia, PA 19107	PC	Food access initiative	10,000
Mayor's Fund for Philadelphia - Philly Play	City Hall, Room 708 Philadelphia, PA 19107	PC	Program to support active play	25,000
Mazzoni Center Family and Community Medicine	21 S 12th Street, 12th Floor Philadelphia PA 19107	PC	Integration of Behavioral Health	60,000
Mazzoni Center Family and Community Medicine	21 S 12th Street, 12th Floor Philadelphia, PA 19107	PC	General operating support	50,000
Mercy Neighborhood/ Ministries of Philadelphia, Inc	1939 W Venango Street Philadelphia PA 19140	PC	Physical and mental health services for the neighborhood	10,000
Mercy Vocational High School Sisters of Mercy	2900 W Hunting Park Avenue Philadelphia, PA 19129	PC	Nursing assistant training	25,000
Metropolitan Area Neighborhood Nutrition Alliance (MANNA)	2323 Ranstead Street Philadelphia, PA 19103	PC	Nutritional counseling and food delivery for individuals experiencing chronic disease	10,000
Mighty Writers	1501 Christian Street Philadelphia, PA 19146	PC	Literacy program for youth	5,000
Montgomery County Community College Nursing Program	340 DeKalb Pike Blue Bell, PA 19422	PC	Undergraduate Scholarship Grant	11,754
National Nursing Centers Consortium	Centre Square East 1500 Market St. Philadelphia, PA 19102	PC	Nurse Intern	4,568
Neumann University, Department of Nursing	One Neumann Drive Aston PA 19014	PC	Graduate Scholarship Grant	12,150
Neumann University, Department of Nursing	One Neumann Drive Aston, PA 19014	PC	Undergraduate Scholarship Grant	5,274
North Hills Health Center of Abington Memorial Hospital	212 Girard Avenue North Hills, PA 19038	PC	General operating support	40,000
Northeastern Hospital School of Nursing	2301 E Allegheny Avenue Philadelphia, PA 19134	PC	Undergraduate Scholarship Grant	2,486
Pathways to Housing PA	5201 Old York Road, Suite 108 Philadelphia, PA 19141	PC	General operating grant	20,000
Penn Asian Senior Services, Inc.	6926 Old York Road Philadelphia, PA 19126	PC	Culturally responsive school for older Asian adults that promotes a healthy lifestyle	15,000
Penn's Village	201 S 21st Street Philadelphia, PA 19103	PC	Supports older adults and younger disabled individuals to remain living independently	5,000
Peoples Emergency Center	325 N 39th Street Philadelphia, PA 19104	PC	Community wellness venture called uGo	5,000
Peter's Place	336 King of Prussia Road Radnor, PA 19087	PC	Bereavement services for children	15,000
Philadelphia College of Osteopathic Medicine / PCOM Healthcare Center Lancaster Ave	4180 City Avenue Philadelphia PA 19131-1695	PC	Electronic Portal Project	40,000
Philadelphia College of Osteopathic Medicine / PCOM Healthcare Center Lancaster Ave	4180 City Avenue Philadelphia, PA 19131-1695	PC	General Operating Support	49,967
Philadelphia FIGHT/ Y-HEP and John Bell Health Centers	1233 Locust Street Philadelphia PA 19107	PC	General Operating Support	25,000

Philly Girls in Motion	40 West Turnbull Avenue Havertown PA 19083	PC	Youth development sports program	20,000
PHMC Care Clinic	1200 Callowhill St, Ste 101 Philadelphia, PA 19123	PC	Nurse Intern	13,005
PHMC Health Connection	1900 N 9th St Suite 104 Philadelphia PA 19122	PC	Nurse Intern	6,503
Playworks Pennsylvania	1518 Walnut Steet Philadelphia PA 19102	PC	Program that turns recess into an active learning environment	10,000
Project H O M E	1845 North 23rd Street Philadelphia, PA 19121	PC	General Operating Support	100,000
Project H O M E	1845 North 23rd Street Philadelphia PA 19121	PC	Nurse Intern	6,928
Public Health Management Corporation / Care Clinic	1200 Callowhill St, Ste 101 Philadelphia, PA 19123	PC	General Operating Support	50,000
Public Health Management Corporation / Rising Sun Health Center	500 Adams Avenue Philadelphia PA 19120	PC	General Operating Support	50,000
Public Health Management Corporation /Mary Howard Health Center	1500 Market Street #1500 Philadelphia, PA 19102	PC	Hospital to Clinic Telemedicine Pilot	61,210
Public Health Management Corporation /Mary Howard Health Center	125 South 9th Street Philadelphia, PA 19102	PC	General Operating Support	50,000
Public Health Management Corporation /PHMC Health Connections	1035 W Berks Street Philadelphia, PA 19102	PC	General Operating Support	40,000
Puentes de Salud	2029 South 8th Street Philadelphia, PA 19148	PC	General operating support	75,000
Puentes de Salud	2029 South 8th Street Philadelphia, PA 19148	PC	Nurse Intern	5,228
Rising Sun Health Center	5675 N Front Street Philadelphia, PA 19120	PC	Nurse Intern	5,738
Sacred Heart School	205 Church Road Oxford, PA 19363	PC	Healthy Future study	6,000
Salus University- The Eye Institute	8360 Old York Rd Elkins Park, PA 19027	PC	General Operating Support	25,000
Saunders House	100 Lancaster Avenue Wynnewood, PA 19096	PC	Socialization and health programming for the elderly	5,000
SHARE Food Program	2901 W Hunting Park Ave Philadelphia, PA 19129	PC	To provide access to healthy affordable foods through SHARE grocery packages and farmers markets	25,000
Simons Fund	P O Box 61 Lafayette Hill, PA 19444	PC	Free youth heart screenings	10,000
Southwest Leadership Academy	7101 Paschall Avenue Philadelphia, PA 19142	PC	Healthy futures study	6,000
Spectrum Health Services/ Spectrum Community Health Center	Haddington Progress Plaza 5619 Vine Street Philadelphia, PA 19139	PC	General operting support	37,500
St Charles Borromeo School	1704 Bristol Pike Bensalem, PA 19020	PC	Healthy Future study	6,000
St. Mary Medical Center Foundation - Mother Bachmann Maternity Center/Children's Health Center	Bensalem Sq Shopping Center 2546 Knights Road Bensalem, PA 19020	PC	General operating support	75,000
Stearne Elementary School	1665 Unity Street Philadelphia, PA 19124	PC	Healthy Futures study	6,000
The Clinic	143 Church Street Phoenixville, PA 19460	PC	General Operating Support	37,500
The Clinic	143 Church Street Phoenixville, PA 19460	PC	Nurse Intern	5,228
Stephen & Sandra Sheller 11th Street Family Health Services of Drexel University	850 North 11th Street Philadelphia, PA 19123	PC	Life Span Model of Care Pilot	75,000
Stephen and Sandra Sheller 11th Street Family Health Services of Drexel University	850 North 11th Street Philadelphia PA 19123	PC	General operating support	100,000
Supportive Older Women's Network	4100 Main Street, Suite 200 Philadelphia, PA 19127	PC	Program to increase healthy habits in grandparents-headed families	10,000
Temple University	Department of Nursing 3307 N Broad Street Philadelphia, PA 19140	PC	Doctor of Nursing Practice Scholarship Grant	137,500
Temple University	Department of Nursing 3307 N Broad Street Philadelphia PA 19140	PC	Undergraduate Scholarship Grant	3,617
Thomas Jefferson University	130 S 9th Street Suite 1314 Philadelphia, PA 19107	PC	Graduate Scholarship Grant	126,024
Thomas Jefferson University	130 S 9th Street Suite 1314 Philadelphia, PA 19107	PC	Undergraduate Scholarship Grant	24,638

Thomas Jefferson University	130 S 9th Street Suite 1314 Philadelphia, PA 19107	PC	Doctor of Nursing Practice Scholarship Grant	82,500
Travis Manion Foundation	P O Box 1485 Doylestown PA 18901	PC	Veteran support program	25,000
Trustees of the University of PA/Heart Health Bridge to Care	3701 Locust Walk Philadelphia, PA 19104	PC	General Operating Support	7,000
Trustees of the University of Pennsylvania, Penn Medicine – The Penn Center for Resuscitation Science	University of Pennsylvania Health System Blockley Hall, Room 433 423 Guardian Drive Philadelphia, PA 19104	PC	Mobilizing CPR training to increase bystander invervention rate	83,000
Turning Points for Children	Bensalem Sq Shopping Center 2546 Knights Road Bensalem, PA 19020	PC	Food and wellness network for children	5,000
University of Pennsylvania	418 Curie Boulevard Philadelphia, PA 19104	PC	Graduate Scholarship Grant	125,824
University of Pennsylvania	418 Curie Boulevard Philadelphia, PA 19104	PC	Undergraduate Scholarship Grant	13,487
Villanova University	800 Lancaster Avenue Villanova PA 19085	PC	Doctor of Nursing Practice Scholarship Grant	17,500
Villanova University	800 Lancaster Avenue Villanova, PA 19085	PC	Graduate Scholarship Grant	50,448
Villanova University	800 Lancaster Avenue Villanova, PA 19085	PC	Doctoral Scholarship Grant RWJ Foundation	150,000
Villanova University	800 Lancaster Avenue Villanova, PA 19085	PC	Undergraduate Scholarship Grant	16,049
VNA Community Services, Inc.	1421 Highland Avenue Abington, PA 19001	PC	General operating support	50,000
Welcoming Center for New Pennsylvanians	1617 John F Kennedy Blvd Philadelphia, PA 19103	PC	Program for integration of foreign trained health professionals	20,000
West Chester University, Department of Nursing	Sturzebecker Health Sciences Ctr 855 South New Street West Chester, PA 19383	PC	Graduate Scholarship Grant	10,294
West Chester University, Department of Nursing	Sturzebecker Health Sciences Ctr 855 South New Street West Chester, PA 19383	PC	Undergraduate Scholarship Grant	8,816
West Chester University, Department of Nursing	Sturzebecker Health Sciences Ctr 855 South New Street West Chester, PA 19383	PC	Doctor of Nursing Practice Scholarship Grant	137,500
Widener University School of Nursing	One University Place Founders Hall Chester, PA 19013	PC	Graduate Scholarship Grant	51,048
Widener University School of Nursing	One University Place Founders Hall Chester PA 19013	PC	Undergraduate Scholarship Grant	8,966
Widener University School of Nursing	One University Place Founders Hall Chester, PA 19013	PC	Doctor of Nursing Practice Scholarship Grant	35,000
Wills Eye Hospital	840 Walnut Street Philadelphia, PA 19107	PC	WEOC Telemedicine Diabetic Retinopathy Pilot	75,000
Youth Mentoring Partnership	20 Liberty Boulevard Suite A9 Malvern, PA 19355	PC	Youth development program	5,000
Youth Services, Inc	410 N 34th St. Philadelphia, PA 19104	PC	General operating support	25,000
Accural adjustments				(25,706)

Total Grants & Contributions Paid During the Year, Line 3a 5,280,482

Rolling Harvest Food Rescue	P O Box 693 New Hope, PA 18938	PC	Food access initiative	5,000
Spectrum Health Services/ Spectrum Community Health Center	Haddington Progress Plaza 5619 Vine Street Philadelphia, PA 19139	PC	General operting support	37,500
Trustees of the University of Pennsylvania, Penn Medicine – The Penn Center for Resuscitation Science	University of Pennsylvania Health System Blockley Hall, Room 433 423 Guardian Drive Philadelphia, PA 19104	PC	Mobilizing CPR training to increase bystander invervention rate	166,000

Total Grants & Contributions Approved for Future Payment, Line 3b 208,500

INDEPENDENCE BLUE CROSS FOUNDATION

Financial Statements
For the Years Ended December 31, 2015 and 2014
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

INDEPENDENCE BLUE CROSS FOUNDATION
December 31, 2015 and 2014

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MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Independence Blue Cross Foundation

We have audited the accompanying financial statements of the Independence Blue Cross Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the auditor's 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, the auditor considers internal control relevant to the entity'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.

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MITCHELL TITUS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Independence Blue Cross Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mitchell & Titus, LLP

June 10, 2016

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Financial Position
As of December 31, 2015 and 2014
(Dollars in thousands)

	2015	2014
ASSETS		
Cash and cash equivalents	$ 2,743	$ 1,608
Investments, at fair value	58,398	61,992
Interest receivable	192	156
Prepaid Federal excise tax	9	-
Total assets	$ 61,342	$ 63,756
LIABILITIES AND NET ASSETS		
Grants payable	$ 478	$ 1,312
Deferred Federal excise tax	13	94
Intercompany payable	94	-
Federal excise tax liability	-	7
Total liabilities	585	1,413
Net assets		
Unrestricted	60,757	62,343
Total net assets	60,757	62,343
Total liabilities and net assets	$ 61,342	$ 63,756

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

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Activities
For the Years Ended December 31, 2015 and 2014
(Dollars in thousands)

	2015	2014
REVENUE AND GAINS		
Contributions	$ 5,000	$ 5,000
Contributed facilities and administrative support	1,556	1,659
Special events, net of direct benefits to donor costs	207	114
Realized gains on investments	2,040	3,415
Unrealized (losses)/gains on investments	(4,033)	353
Investment income, net	813	761
Total revenue and gains	5,583	11,302
EXPENSES		
Direct program expenses		
Grants	5,517	5,001
Contributed facilities and administrative support	1,392	1,551
Other expenses	28	16
Total direct program expenses	6,937	6,568
General and administrative expenses		
Contributed facilities and administrative support	164	108
Special events	92	10
Total general and administrative expenses	256	118
(Benefit) provision for Federal excise tax	(24)	177
Total expenses	7,169	6,863
Changes in net assets	(1,586)	4,439
Unrestricted net assets, beginning of year	62,343	57,904
Unrestricted net assets, end of year	$ 60,757	$ 62,343

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

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014
(Dollars in thousands)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (1,586)	$ 4,439
Adjustments to reconcile change in net assets to net cash used in operating activities		
Loss/(gain) on investment portfolio	1,993	(3,768)
Amortization	99	112
(Benefit) provision for deferred Federal excise tax	(81)	94
Changes in assets and liabilities		
Interest receivable	(36)	(12)
Contributed investments	-	(4,647)
Prepaid Federal excise tax	(9)	-
Grants payable	(834)	108
Intercompany payable	94	-
Federal excise tax liability	(7)	(3)
Net cash used in operating activities	(367)	(3,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(61,885)	(65,999)
Sale or maturity of investments	63,387	69,606
Net cash provided by investing activities	1,502	3,607
Change in cash and cash equivalents	1,135	(70)
Cash and cash equivalents, beginning of year	1,608	1,678
Cash and cash equivalents, end of year	$ 2,743	$ 1,608
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Federal excise taxes paid	$ 74	$ 86

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

NOTE 1 NATURE OF BUSINESS

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net Assets

Net assets are classified as follows:

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

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

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

As of December 31, 2015 and 2014, there were no temporarily or permanently restricted net assets.

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

Cash and Cash Equivalents

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

Investments

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

Investment income reported in the accompanying statements of activities represents dividends and interest income, net of investment expense. Dividends and interest are recorded as earned. Investment expense was $376 and $381 for the years ended December 31, 2015 and 2014, respectively.

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

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

Contributions

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

Grants

Unconditional grants are recorded as an expense in the year in which they are committed. Conditional grants are recorded as an expense when the conditions have been met. As of December 31, 2015 and 2014, the Foundation did not have any conditional grants outstanding. The Foundation expects to disburse future grant payments of $395 and $83 in 2016 and 2017, respectively, and are included in grants payable on the statements of financial position.

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

Contributed Facilities and Administrative Support

The Foundation occupies, without charge, certain premises owned and operated by IHG, which donates the operating costs and administrative support. Simultaneously, these expenses are reported as contributions and expense in the period in which they are incurred. The estimated fair rental value of the premises is determined based on square footage, and the cost of administrative support is based on direct cost and usage. Allocation of the contributed facilities and administrative support between program and general and administrative expenses is further discussed in Note 4.

Use of Estimates

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

Tax Status

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

U.S. GAAP requires the Foundation's management to evaluate uncertain tax positions taken by the Foundation. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the IRS. The Foundation has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation is no longer subject to income tax examinations for years prior to 2012.

Reclassifications

Certain prior-year amounts have been reclassified for consistency with the current-period presentation. These reclassifications had no effect on the reported results of operations.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The three levels are defined as:

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

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

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

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

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

Management is responsible for the valuation of all assets of the Foundation. Any changes to the valuation methodology are reviewed by the Audit Committee or by the Board of Directors of the Foundation.

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

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

Cash Equivalents

Cash equivalents consist primarily of funds in interest-bearing money market accounts. These deposits are categorized as Level 1 within the fair value hierarchy. The fair value of cash equivalents approximates their carrying value because of the short maturity of the instruments.

Common Stocks

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

U.S. Treasury Notes and Federal Agencies

Generally, actively traded U.S. Treasury notes and Federal agency obligations are classified as Level 1 within the fair value hierarchy. These securities are valued using quoted prices for the identical security in an active market.

Corporate Debt and Asset-backed Securities

Because many fixed maturities do not trade daily, fair values are often derived using recent trades of securities with similar features and characteristics. When recent trades are not available, fair values are determined using pricing applications that vary by asset class and incorporate available market information, such as benchmarking of like-securities, sector grouping, and matrix pricing. Typical inputs and assumptions to pricing applications include, but are not limited to, benchmark yields, reported trades, broker-dealer quotes, issuer spreads, liquidity, benchmark securities, bids, offers, reference data, and industry and economic events. These investments are generally categorized as Level 2 within the fair value hierarchy.

(Dollars in thousands)

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

Mutual Funds

The Foundation classifies some mutual funds as Level 1 within the fair value hierarchy when these funds are valued using quoted prices for the identical investment in an active market. Certain mutual funds are classified as Level 2 within the fair value hierarchy when the investment is not traded daily or is an international fund such as the International Equity Fund.

Net (Loss)/Gain on Investment Portfolio

The net (loss)/gain on the Foundation's investment portfolio for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
Net realized gain	$ 2,040	$ 3,415
Net unrealized (loss)/gain	(4,033)	353
(Loss)/gain on investment portfolio, net	$ (1,993)	$ 3,768

The following table sets forth, by level within the fair value hierarchy, investments and cash equivalents as of December 31, 2015:

	Quoted (Level 1)	Other (Level 2)	Fair Value
2015			
Interest-bearing cash and cash equivalents	$ 2,743	$ -	$ 2,743
Investments			
U S Treasury notes and Federal agencies	12,185	-	12,185
Asset-backed securities	-	274	274
Corporate debt securities	-	13,547	13,547
Common stock	22,270	-	22,270
Mutual funds			
International Equity Fund	-	7,986	7,986
REIT Fund	2,136	-	2,136
Total investments and cash equivalents	$ 39,334	$ 21,807	$ 61,141

(Dollars in thousands)

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

The following table sets forth, by level within the fair value hierarchy, investments and cash equivalents as of December 31, 2014:

	Market Quoted Prices in Active (Level 1)	Significant Other Observable Inputs (Level 2)	Fair Value
2014			
Interest-bearing cash and cash equivalents	$ 1,608	$ -	$ 1,608
Investments			
U S Treasury notes and Federal agencies	15,138	-	15,138
Asset-backed securities	-	327	327
Corporate debt securities	-	12,066	12,066
Common stock	23,742	-	23,742
Mutual funds			
International Equity Fund	-	8,620	8,620
REIT Fund	2,099	-	2,099
Total investments and cash equivalents	$ 42,587	$ 21,013	$ 63,600

None of the Foundation's financial assets were classified as Level 3 of the fair value hierarchy as of December 31, 2015 and 2014.

NOTE 4 RELATED-PARTY TRANSACTIONS

During fiscal 2015, the Foundation adopted Accounting Standards Update (ASU) 2013-06, *Not-for-Profit Entities – Services Received from Personnel of an Affiliate*. Under ASU 2013-06, a not-for-profit entity should measure a service received from personnel of an affiliate at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize the service received at either the cost recognized by the affiliate for the personnel providing that service or the fair value of that service. In-kind contributions recognized in the accompanying statements of activities were measured at cost or fair value as appropriate.

NOTE 4 RELATED-PARTY TRANSACTIONS *(continued)*

The Foundation records contributed good and services that meet the criteria for recognition as revenue and expense in the accompanying financial statements. IHG provided the Foundation with in-kind contributions of administrative services, facilities and personnel for which IHG received no compensation. For the years ended December 31, 2015 and 2014, $1,556 and $1,659, respectively, of revenue and supporting expense were recognized for in-kind contributions. In addition, in 2015, IHG provided the Foundation with a total cash contribution of $5,000. In 2014, IHG provided the Foundation with a total contribution of $5,000, which included cash totaling $353 and investment securities valued at $4,647. The contributions were unrestricted and will be used primarily to fund the mission of the Foundation.

NOTE 5 FEDERAL EXCISE TAX

The Foundation is subject to Federal excise taxes imposed on private foundations at 2%, or at 1%, if certain conditions are met. The excise tax is imposed on net investment income, as defined under Federal law, which includes interest, dividends, and net realized gains on the sale of investments. The Foundation provided for excise taxes at the 2% tax rate for the years ended December 31, 2015 and 2014.

The current provision of the Federal excise tax was $57 and $83 for the years ended December 31, 2015 and 2014, respectively. The (benefit)/provision for deferred Federal excise tax, which is based on the 2% tax rate on unrealized gains and losses in the investment portfolio, was $(81) and $94 for the years ended December 31, 2015 and 2014, respectively.

NOTE 6 CONCENTRATION OF CREDIT RISK

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

NOTE 7 RISK AND UNCERTAINTIES

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

NOTE 8 SUBSEQUENT EVENTS

The Foundation evaluated events and transactions that occurred through June 10, 2016, which is the date that the financial statements were available to be issued for disclosure and recognition in the financial statements.