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

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, 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) ▶ $ 57,948,599

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)	0			
	2	Check ▶ ☒ if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	1,332,946	1,332,946		
	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)		1,347,253		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances 294,385				
	b	Less: Cost of goods sold 131,862				
	c	Gross profit or (loss) (attach schedule)	162,523			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	1,495,469	2,680,199	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)	13,300			13,300
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	38,881			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	368,461	368,461		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	420,642	368,461	0	13,300
	25	Contributions, gifts, grants paid	5,045,964			5,008,151
	26	**Total expenses and disbursements.** Add lines 24 and 25	5,466,606	368,461	0	5,021,451
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(3,971,137			
	b	**Net investment income** (if negative, enter -0-)		2,311,738		
	c	**Adjusted net income** (if negative, enter -0-)			0	

SCANNED NOV 29 2017

RECEIVED
NOV 27 2017
OGDEN, UT
B003
IRS-OSC

ISA

93B A

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	2,742,981	1,490,301	1,490,301
2	Savings and temporary cash investments			
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	191,593	110,316	110,316
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)	32,391,299	41,498,242	41,498,242
c	Investments—corporate bonds (attach schedule)	26,006,395	14,849,740	14,849,740
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 ▶)	9,483		
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	61,341,751	57,948,599	57,948,599
Liabilities 17	Accounts payable and accrued expenses	94,432	2,876	
18	Grants payable	478,500	182,154	
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 ▶)	13,671	6,194	
23	**Total liabilities** (add lines 17 through 22)	586,603	191,224	
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	60,755,148	57,757,375	
30	**Total net assets or fund balances** (see instructions)	60,755,148	57,757,375	
31	**Total liabilities and net assets/fund balances** (see instructions)	61,341,751	57,948,599	

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	60,755,148
2	Enter amount from Part I, line 27a	2	(3,971,137)
3	Other increases not included in line 2 (itemize) ▶ Net realized & Unrealized gains on Investments	3	973,365
4	Add lines 1, 2, and 3	4	57,757,376
5	Decreases not included in line 2 (itemize) ▶ Rounding	5	1
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	57,757,375

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	82,667,185	0	81,319,932	1,347,253
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	1,347,253
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))
2015	5,292,682	64,978,937	0.0815
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

2	**Total** of line 1, column (d)	2	0.6101
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	0.12202
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	60,170,641
5	Multiply line 4 by line 3	5	7,342,022
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	23,117
7	Add lines 5 and 6	7	7,365,139
8	Enter qualifying distributions from Part XII, line 4	8	5,021,451

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	46,235
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	46,235
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	46,235
6	Credits/Payments:			
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a 45,779		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 1,000		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	46,779
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	544
11	Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶ 544 **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) ▶			
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 2016 or the taxable year beginning in 2016 (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 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 2016, 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 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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 2016 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 2016.)*	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 2016?	4b		X

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

5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 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?		**6b**	
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		**7b**	

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	59,535,044
b	Average of monthly cash balances	1b	1,551,901
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	61,086,945
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	61,086,945
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	916,304
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	60,170,641
6	**Minimum investment return.** Enter 5% of line 5	6	3,008,532

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	3,008,532
2a	Tax on investment income for 2016 from Part VI, line 5	2a	46,235		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	46,235
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	2,962,297
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	2,962,297
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	2,962,297

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	5,021,451
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	5,021,451
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	5,021,451

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 2015	(c) 2015	(d) 2016
1	Distributable amount for 2016 from Part XI, line 7				2,962,297
2	Undistributed income, if any, as of the end of 2016:				
a	Enter amount for 2015 only				
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2016:				
a	From 2011 . . . 2,663,038				
b	From 2012 . . . 3,015,509				
c	From 2013 . . . 1,062,967				
d	From 2014 . . . 1,970,610				
e	From 2015 . . . 2,100,527				
f	**Total** of lines 3a through e	10,812,651			
4	Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 5,021,451				
a	Applied to 2015, 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 2016 distributable amount				2,962,297
e	Remaining amount distributed out of corpus	2,059,154			
5	Excess distributions carryover applied to 2016 *(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	12,871,805			
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 2015. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f	Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				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 2011 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	12,871,805			
10	Analysis of line 9:				
a	Excess from 2012 . . . 3,015,509				
b	Excess from 2013 . . . 1,062,967				
c	Excess from 2014 . . . 1,970,610				
d	Excess from 2015 . . . 2,100,527				
e	Excess from 2016 . . . 2,059,154				

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 2016, 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) 2016	(b) 2015	(c) 2014	(d) 2013	
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				5,008,151
Total ▶ **3a**				5,008,151
b *Approved for future payment*				
Total ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
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	1,332,946	
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			01	162,523	
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		1,495,469	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 1,495,469

(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: 11-14-17 | 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	

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

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

Line 10a - Golf Fundraising	294,385
Line 10a - Sponsorships - Nursing Conference	-
Line 10b - Golf Expenses	(120,502)
Line 10b - Nursing Conference Expenses	(11,360)
Line 10c - Gross Profit	$162,523

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

Audit Expense	$13,300
	$13,300

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

Excise tax benefits	38,881
	38,881

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

Bank/Investment Expense	368,461
	$368,461

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

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
Gregory E. Deavens 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 P. Hilferty 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Paul A. Tufano, Esq. 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Plato A. Marinakos 500 Berwyn Baptist Road #11 Chamond Devon, PA 19333	Director Less than one hour per week average	None	None	None

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

Recipient Name	Recipient Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Abington Health Children's Clinic	51 Medical Campus Drive Lansdale, PA 19446	PC	Core support	60,000
Abington Memorial Hospital Dixon School of Nursing - UnderGrad	2500 Maryland Road Willow Grove, PA 19090	PC	Undergraduate nursing scholarships	7,346
Adults with Developmental Disabilities	261 Old York Road, Suite 530 Jenkintown, PA 19046	PC	Health education for special needs adults	9,000
Albert Einstein Healthcare Network Community Practice Center	5501 Old York Road Philadelphia, PA 19141	PC	Core support	50,000
Ann Silverman Community Health Clinic	595 W State Street Doylestown, PA 18901	PC	Core support	75,000
Aria Health Center Clinic	5000 Frankford Avenue Philadelphia, PA 19124	PC		75,000
Aria Health School of Nursing - UnderGrad	3 Neshaminy Interplex Trevose, PA 19053	PC	Undergraduate nursing scholarships	5,158
Associated Services for the Blind and Visually Impaired	919 Walnut Street Philadelphia, PA 19107	PC	Rehabilitative services for low income, visually-impaired individuals	15,000
Augustinian Defenders Of The Rights Of The Poor - Unity Clinic	2130 S 21st Street, 2nd Floor Philadelphia, PA 19145	PC	Core support	15,000
Back on My Feet	100 S Broad St Ste 2136 Philadelphia, PA 19110	PC	Community reintegration and running program for homeless men and women	10,000
Bucks County Community College - UnderGrad	275 Swamp Road Newtown, PA 18940	PC	Undergraduate nursing scholarships	11,175
Bucks County Health Improvement Partnership - Lower Bucks Clinic	2546 Knights Road Bensalem, PA 19020	PC	Core support	75,000
Center in the Park	5818 Germantown Avenue Philadelphia, PA 19144	PC	Health promotion and evidence-based programs	15,000
Central Bucks YMCA	2500 Lower State Road Doylestown, PA 18901	PC	Veterans wellness initiative	10,000
Chespenn Health Services Center for Family Health at Coatesville	744 Lincoln Highway Coatesville, PA 19320	PC	Core support	75,000
Chespenn Health Services Center for Family Health at Eastside, and Center for Family Health at Community Hospital	2600 W 9th Street Chester, PA 19013	PC	Core support	100,000
Chespenn Health Services Center for Family Health at Upper Darby	5 South State Road Upper Darby, PA 19082	PC	Core support	50,000
Chester County Intermediate Unit - UnderGrad	455 Boot Road Downingtown, PA 19335	PC	Undergraduate nursing scholarships	5,470
CHOP	3401 Civic Center Boulevard Philadelphia, PA 19104	PC	Implement AEDs and education in schools	25,000
Christ Church Preservation Trust	20 N American Street Philadelphia, PA 19106	PC	Pilot program for individuals with dementia and Alzheimer's and their care takers	6,500
Community College of Philadelphia - UnderGrad	1700 Spring Garden Street Philadelphia, PA 19130	PC	Undergraduate nursing scholarships	8,049
Community Practice Sites - Internship	300 Lawrence Drive West Chester, PA 19380	PC		86,275
Community Volunteers in Medicine Mobile Dental Project Expansion	300 Lawrence Drive West Chester, PA 19380	PC	Targeted project	75,000
Community Volunteers in Medicine	300 Lawrence Drive West Chester, PA 19380	PC	Core support	100,000
Congreso de Latinos Unidos Congreso Health Center	412 W Lehigh Avenue Philadelphia, PA 19133	PC	Core support	50,000
Covenant House Pennsylvania	31 E Armat Street Philadelphia, PA 19144	PC	Creative activities to increase the health and wellbeing of homeless young people	21,426
Covenant House Pennsylvania Under - 21 Connections Clinic	31 E Armat Street Philadelphia, PA 19144	PC	Core support	20,000
CPR Ready Campaign- Philadelphia Regional CPR Awareness Coalition	1801 Market Street, Suite 701 Philadelphia, PA 19103	PC	Increase in CPR	15,000
Cradles to Crayons	30 Clipper Road Conshohocken, PA 19428	PC	Providing essential items for children in homeless or low-income situations	8,000
Delaware Community College - UnderGrad	901 S Media Line Road Media, PA 19063	PC	Undergraduate nursing scholarships	11,644
Delaware Valley Community Health, Inc Fairmount Primary Care Center	1412 Fairmount Avenue Philadelphia, PA 19130	PC	Core support	75,000
Delaware Valley Community Health, Inc Maria de los Santos Health Center	401 W Allegheny Avenue Philadelphia, PA 19133	PC	Core support	100,000
Delaware Valley Community Health, Inc. Norristown Regional Health Center	1401 DeKalb Street Norristown, PA 19401	PC	Core support	75,000
Delaware Valley Community Health, Inc Primary Care Services and Behavioral Health Intergration at Girard Medical Center	719 W Girard Avenue Philadelphia, PA 19123	PC	Targeted project	50,000

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

Recipient Name	Recipient Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Drexel University - Grad	3141 Chestnut Street Philadelphia, PA 19104	PC	Graduate nursing scholarships	249,655
Drexel University - UnderGrad	3141 Chestnut Street Philadelphia, PA 19104	PC	Undergraduate nursing scholarships	10,628
Eagles Charitable Foundation Eagles Glasses Lab	1 Novacare Way Philadelphia, PA 19145	PC	Targeted project	25,000
Eastern Center for Arts and Technology - UnderGrad	3075 Terwood Road Willow Grove, PA 19090	PC	Undergraduate nursing scholarships	5,470
Eastern University - UnderGrad	1300 Eagle Road Wayne, PA 19087	PC	Undergraduate nursing scholarships	3,439
Esperanza Health Center, Inc	4417 N 6th Street Philadelphia, PA 19140	PC	Core support	100,000
Esperanza Health Center, Inc Enhanced Patient Communication Project	4417 N 6th Street Philadelphia, PA 19140	PC	Targeted project	33,500
Face To Face Face to Face Health Center	6001 Germantown Avenue Philadelphia, PA 19144	PC	Core support	15,000
Family Practice & Counseling Network Abbottsford Falls The Vital Role of Community Health Workers	4700 Wissahickon Avenue Philadelphia, PA 19144	PC	Targeted project	30,000
Family Practice & Counseling Network Health Annex- Trauma informed model	6120-B Woodland Avenue, 2nd Fl Philadelphia, PA 19142	PC	Targeted project	25,000
Family Practice & Counseling Network Abbottsford Falls	4700 Wissahickon Avenue Philadelphia, PA 19144	PC	Core support	50,000
Family Practice & Counseling Network Health Annex	6120-B Woodland Avenue, 2nd Fl Philadelphia, PA 19142	PC	Core support	75,000
Family Support Line	100 West Sixth Street, Suite 2 Media, PA 19063	PC	Aiding children, families, and professionals to address child sexual abuse	5,000
Gearing Up	1500 Walnut Street Philadelphia, PA 19102	PC	Integrated activity and emotional support model for women in transition	10,000
Girls Inc of Greater Philadelphia & SNJ	1501 Cherry Street Philadelphia, PA 19102	PC	Expanding healthly lifestyle education in Adolescent Latina Community	10,000
Girls on the Run Philadelphia	40 W Evergreen Avenue Philadelphia, PA 19118	PC	Expand the program to additional sites throughout Philadelphia	5,000
Good Samaritan Shelter	141 High Street Phoenixville, PA 19460	PC	Provide fresh food to residents of underserved communities	25,000
Greater Philadelphia Urban Affairs Coalition	1207 Chestnut Street Philadelphia, PA 19107	PC	Strenghtening nonprofit infrastructure	25,000
Gwynedd Mercy University Adult Health Center	51 Medical Campus Drive Lansdale, PA 19446	PC	Core support	60,000
Gwynedd-Mercy University - Doctorial	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Doctoral of nursing practice scholarships	11,297
Gwynedd-Mercy University - Grad	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Graduate nursing scholarships	13,950
Gwynedd-Mercy University - UnderGrad	1325 Sumneytown Pike Gwynedd Valley, PA 19437	PC	Undergraduate nursing scholarships	23,836
HealthLink Dental Clinic	1775 Street Road Southampton, PA 18966	PC	Core support	50,000
Hedwig House	109 Jenkins Avenue Lansdale, PA 19446	PC	Assisting individuals with mental health issues	5,000
Historic Fair Hill	Germantown Avenue & W Cambria Street Philadelphia, PA 19133	PC	Neighborhood gardening program	5,000
Holy Family University - Grad	9801 Frankford Avenue Philadelphia, PA 19114	PC	Graduate nursing scholarships	12,996
Holy Family University - UnderGrad	9801 Frankford Avenue Philadelphia, PA 19114	PC	Undergraduate nursing scholarships	16,255
Immaculata University - Grad	1145 King Road Immaculata, PA 19345	PC	Graduate nursing scholarships	24,480
Immaculata University - UnderGrad	1145 King Road Immaculata, PA 19345	PC	Undergraduate nursing scholarships	26,024
Kids Smiles Inc Southwest Philadelphia Expansion Project	2924 Island Avenue Philadelphia, PA 19153	PC	Targeted project	50,000
Kids Smiles Inc	2924 Island Avenue Philadelphia, PA 19153	PC	Core support	50,000
La Comunidad Hispana, Inc.	731 W Cypress Street Kennett Square, PA 19348	PC	Core support	75,000
LaSalle University - Doctorial	1900 W Olney Avenue Philadelphia, PA 19141	PC	Doctoral of nursing practice scholarships	27,780
LaSalle University - Grad	1900 W Olney Avenue Philadelphia, PA 19141	PC	Graduate nursing scholarships	72,203
LaSalle University - UnderGrad	1900 W Olney Avenue Philadelphia, PA 19141	PC	Undergraduate nursing scholarships	23,914
Linda Creed Breast Cancer	614 S 8th Street #277 Philadelphia, PA 19147	PC	Increase access to free mammogram screenings and diagnostic tests	10,000

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

Recipient Name	Recipient Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Lupus Foundation of America	2121 K Street NW, Suite 200 Washington, DC 20037	PC	Education and support program on disease	5,000
Maternity Care Coalition	2000 Hamilton Street #205 Philadelphia, PA 19130	PC	Fit beginnings for mom at Riverside Correctional Facility	10,000
Mazzoni Center Family & Community Medicine	1348 Bainbridge Street Philadelphia, PA 19147	PC	Core support	50,000
Mazzoni Center Integration of Behavioral Health	1348 Bainbridge Street Philadelphia, PA 19147	PC	Targeted project	50,000
Menzfit	1831 Chestnut Street #501 Philadelphia, PA 19103	PC	Career development	5,000
Mighty Writers	1501 Christian Street Philadelphia, PA 19146	PC	Daily afterschool writing academies and college prep courses	5,000
Montgomery County Community College - UnderGrad	340 Dekalb Pike Blue Bell, PA 19422	PC	Undergraduate nursing scholarships	11,019
National Center for Family Recovery	607 East Sedgwick Street Philadelphia, PA 19119	PC	Psycho-educational program	25,000
Neumann University - Grad	1 Neumann Drive Aston, PA 19014	PC	Graduate nursing scholarships	11,880
Neumann University - UnderGrad	1 Neumann Drive Aston, PA 19014	PC	Undergraduate nursing scholarships	6,877
Pathways To Housing PA Pathways Medical Clinic	5201 Old York Road Philadelphia, PA 19141	PC	Core support	20,000
Penn Asian Senior Services	6926 Old York Road Philadelphia, PA 19126	PC	Culturally responsive school	10,000
Penn's Village	210 S 21st Street Philadelphia, PA 19103	PC	Operating support for seniors	5,000
Peter's Place	336 King of Prussia Road Radnor, PA 19087	PC	Grief support services	10,000
Philadelphia City Rowing	450 Plymouth Road, Suite 305 Plymouth Meeting, PA 19462	PC	Access rowing as a competitive sport	10,000
Philadelphia College Of Osteopathic Medicine Foundation PCOM Health Centers	4170 City Avenue Philadelphia, PA 19131	PC	Core support	50,000
Philadelphia Fight Y-HEP & John Bell Health Centers	1417 Locust Street Philadelphia, PA 19102	PC	Core support	25,000
Philadelphia Union	2501 Seaport Drive, Suite 500 Chester, PA 19013	PC		100,000
Playworks Education	1518 Walnut Street Philadelphia, PA 19102	PC	Create productive learning environment in low-income partnering schools	10,000
Police Athletic League Norristown	340 Harding Boulevard Norristown, PA 19401	PC	Healthy lifestyles program	5,000
Project HOME Stephen Klein Wellness Center	2144 Cecil B Moore Avenue Philadelphia, PA 19121	PC	Core support	100,000
Providence Center	2557 N 5th Street Philadelphia, PA 19133	PC	Social and emotional wellness through physical activity	10,000
Public Health Management Corporation Care Clinic	1200 Callowhill Street #101 Philadelphia, PA 19123	PC	Core support	50,000
Public Health Management Corporation Health Connection	1900 N. 9th Street, Suite 104 Philadelphia, PA 19122	PC	Core support	40,000
Public Health Management Corporation Mary Howard Health Center	125 S. 9th Street Philadelphia, PA 19107	PC	Core support	50,000
Public Health Management Corporation Rising Sun Health Center	5675 N Front Street Philadelphia, PA 19120	PC	Core support	50,000
Puentes de Salud - Residency Program	1700 South Street Philadelphia, PA 19146	PC		80,100
Puentes De Salud	1700 South Street Philadelphia, PA 19146	PC	Core support	75,000
Ralston Center	3615 Chestnut Street Philadelphia, PA 19104	PC	Program to enable seniors to remain in their homes	10,000
RHD Child and Family Connections	314 N 12th Street, Suite 304 Philadelphia, PA 19107	PC	Health media program in high poverty schools	10,000
Salus University The Eye Institute	1200 W Godfrey Avenue Philadelphia, PA 19141	PC	Core support	25,000
SHARE	2901 W Hunting Park Avenue Philadelphia, PA 19129	PC	Provide monthly food packages	25,000
Simon's Fund	P.O Box 61 Lafayette Hill, PA 19444	PC	Increase access to screenings for cardiac abnormalities	25,000
Special People in the Northeast	10521 Drummond Road Philadelphia, PA 19154	PC	After school health and wellness program for children	5,000
Spectrum Health Services Integration of Primary and Dental Care	5201 Haverford Avenue Philadelphia, PA 19139	PC	Core support and targeted project	75,000
St. Mary Medical Foundation Mother Bachmann Maternity Center and Children's Health Center	2546 Knights Road Bensalem, PA 19020	PC	Core support	75,000

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

Recipient Name	Recipient Address	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Stephen & Sandra Sheller 11th Street Family Health Services of Drexel University	850 N 11th Street Philadelphia, PA 19123	PC	Core support	100,000
Stephen & Sandra Sheller 11th Street Family Health Services of Drexel University Life Span Model of Care Pilot	850 N. 11th Street Philadelphia, PA 19123	PC	Targeted support	75,000
Street Soccer USA	115 East 13th Street New York, NY 10003	PC	Access to Street Soccer USA curriculum	10,000
Temple University - Doctorial	1801 N Broad Street Philadelphia, PA 19122	PC	Doctoral of nursing practice scholarships	131,953
Temple University - UnderGrad	1801 N Broad Street Philadelphia, PA 19122	PC	Undergraduate nursing scholarships	6,174
The Clinic	143 Church Street Phoenixville, PA 19460	PC	Core support	75,000
The Eagles Charitable Foundation Eagles Eye Mobile	1 Novacare Way Philadelphia, PA 19145	PC	Core support	50,000
The Veterans Group	3209 Baring Street Philadelphia, PA 19104	PC	Program for homeless women veterans and their families	25,000
Thomas Jefferson University - Doctorial	130 S. 9th Street Philadelphia, PA 19107	PC	Doctoral of nursing practice scholarships	72,921
Thomas Jefferson University - Grad	130 S 9th Street Philadelphia, PA 19107	PC	Graduate nursing scholarships	107,059
Thomas Jefferson University - UnderGrad	130 S. 9th Street Philadelphia, PA 19107	PC	Undergraduate nursing scholarships	22,273
Transformation Yoga Project	P O Box 762 Kennett Square, PA 19348	PC	Addressing trauma and healing through free yoga programs in jail	7,161
Tree House Books	1430 W Susquehanna Avenue Philadelphia, PA 19121	PC	Literary program	10,000
Upenn - Grad	3451 Walnut Street Philadelphia, PA 19104	PC	Graduate nursing scholarships	105,897
Upenn - UnderGrad	3451 Walnut Street Philadelphia, PA 19104	PC		12,895
Vetri Foundation for Children	211 N. 13th Street Philadelphia, PA 19107	PC	Pilot program to mobilize healthy eating education for low income children	25,000
Villanova University - Doctorial	800 Lancaster Avenue Villanova, PA 19085	PC	Doctoral of nursing practice scholarships	32,008
Villanova University - Grad	800 Lancaster Avenue Villanova, PA 19085	PC	Graduate nursing scholarships	45,198
Villanova University - UnderGrad	800 Lancaster Avenue Villanova, PA 19085	PC	Undergraduate nursing scholarships	15,083
Vna Community Services Inc Ginny Coombs Children's Health Center	1109 DeKalb Street Norristown, PA 19401	PC	Core support	45,000
West Chester University - Doctorial	700 S High Street West Chester, PA 19382	PC	Doctoral of nursing practice scholarships	112,855
West Chester University - Grad	700 S High Street West Chester, PA 19382	PC	Graduate nursing scholarships	7,801
West Chester University - UnderGrad	700 S High Street West Chester, PA 19382	PC	Undergraduate nursing scholarships	7,033
Widener Univeristy - UnderGrad	One University Place Chester, PA 19013	PC	Undergraduate nursing scholarships	10,238
Widener Univeristy - UnderGrad	One University Place Chester, PA 19013	PC	Graduate nursing scholarships	49,248
Widener Univeristy - UnderGrad	One University Place Chester, PA 19013	PC	Doctoral of nursing practice scholarships	32,008
William Way LGBT Community Center	1315 Spruce Street Philadelphia, PA 19107	PC	Offering non-primary care health education services to LGBT community	15,000
Youth Service Inc (YSI)	410 N 34th Street Philadelphia, PA 19104	PC	Core support	20,000

Total Grants & Contributions Paid During the Year, Line 3A 5,008,151

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2016

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

Financial Statements
For the Years Ended December 31, 2016 and 2015
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

INDEPENDENCE BLUE CROSS FOUNDATION
December 31, 2016 and 2015

TABLE OF CONTENTS

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, 2016 and 2015, 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.

1818 Market Street
Philadelphia, PA 19103
T +1 215 561 7300
F +1 215 569 8709

mitchelltitus.com

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, 2016 and 2015, 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 9, 2017

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Financial Position
As of December 31, 2016 and 2015
(Dollars in thousands)

	2016	2015
ASSETS		
Cash and cash equivalents	$ 1,490	$ 2,743
Investments, at fair value	56,348	58,398
Interest receivable	110	192
Prepaid federal excise tax	-	9
Total assets	$ 57,948	$ 61,342
LIABILITIES AND NET ASSETS		
Grants payable	$ 157	$ 478
Deferred federal excise tax liability	6	13
Intercompany payable	-	94
Payable for securities	25	-
Federal excise tax liability	3	-
Total liabilities	191	585
Net assets		
Unrestricted	57,757	60,757
Total net assets	57,757	60,757
Total liabilities and net assets	$ 57,948	$ 61,342

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

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Activities
For the Years Ended December 31, 2016 and 2015
(Dollars in thousands)

	2016	2015
REVENUE AND GAINS		
Contributions	$ -	$ 5,000
Contributed facilities and administrative support	1,217	1,556
Special events, net of direct benefits to donor costs	188	207
Realized gains on investments	1,347	2,040
Unrealized losses on investments	(374)	(4,033)
Investment income, net	971	813
Total revenue and gains	3,349	5,583
EXPENSES		
Direct program expenses		
Grants	5,046	5,517
Facilities and administrative support	1,133	1,392
Other expenses	21	28
Total direct program expenses	6,200	6,937
General and administrative expenses		
Facilities and administrative support	84	164
Special events	26	92
Total general and administrative expenses	110	256
Provision (benefit) for federal excise tax	39	(24)
Total expenses	6,349	7,169
Change in net assets	(3,000)	(1,586)
Unrestricted net assets, beginning of year	60,757	62,343
Unrestricted net assets, end of year	$ 57,757	$ 60,757

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

INDEPENDENCE BLUE CROSS FOUNDATION
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015
(Dollars in thousands)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (3,000)	$ (1,586)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net (gain)/loss on investment portfolio	(973)	1,993
Amortization of bond premium	75	99
Provision/(benefit) for federal excise tax	39	(24)
Changes in assets and liabilities		
Interest receivable	82	(36)
Grants payable	(321)	(834)
Intercompany payable	(94)	94
Payable for securities	25	-
Federal excise tax	(34)	(73)
Net cash used in operating activities	(4,201)	(367)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(80,024)	(61,885)
Sale or maturity of investments	82,972	63,387
Net cash provided by investing activities	2,948	1,502
Change in cash and cash equivalents	(1,253)	1,135
Cash and cash equivalents, beginning of year	2,743	1,608
Cash and cash equivalents, end of year	$ 1,490	$ 2,743
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Federal excise taxes paid	$ 34	$ 74

The accompanying notes are an integral part of these 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 generally accepted accounting principles in the United States of America (U.S. 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, 2016 and 2015, 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 $362 and $376 for the years ended December 31, 2016 and 2015, 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.

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

Grants

Unconditional grants are recorded as an expense in the year in which they are committed. Conditional grants are recorded as an expense when the conditions have been met. As of December 31, 2016 and 2015, the Foundation did not have any conditional grants outstanding. As of December 31, 2016 and 2015, grants payable were $157 and $458, respectively, and are recorded on the statements of financial position. The Foundation expects to disburse $157 of future grant payments in 2017 for 2016 committed grants.

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, which included net realized gains, dividends and interest, reduced by related expenses 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, 2016, 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 2013.

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

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-15, *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern (ASU 2014-15)*. ASU 2014-15 defines management's responsibility to evaluate whether there is a substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing financial statements, management evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern within one year after the date that the financial statements are issued. ASU 2014-15 is effective for fiscal years ending after December 15, 2016. The Foundation adopted ASU 2014-15 and implementation did not have a material effect on its financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958). Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. ASU 2016-14 changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. ASU 2016-14 requires an amended presentation and disclosures to help not-for-profit organizations provide more relevant information about their resources and changes in those resources. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Foundation is currently evaluating the impact this ASU will have on its financial statements.

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.

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

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.

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.

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

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. These assets are classified as equity 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.

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. These assets are classified as equity within the fair value hierarchy.

(Dollars in thousands)

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

Net Gain/(Loss) on Investment Portfolio

The net gain/(loss) on the Foundation's investment portfolio for the years ended December 31, 2016 and 2015 consisted of the following:

	2016	2015
Net realized gain	$ 1,347	$ 2,040
Net unrealized loss	(374)	(4,033)
Gain/(loss) on investment portfolio, net	$ 973	$ (1,993)

The following table sets forth, by level within the fair value hierarchy, investments and cash equivalents as of December 31, 2016:

	Market Quoted Prices in Active Markets of Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
2016			
Cash equivalents	$ 675	$ -	$ 675
Investments			
U.S. Treasury notes and Federal agencies	-	4,837	4,837
Corporate debt securities	-	10,013	10,013
Domestic equity	32,752	-	32,752
International equity			
International Equity Fund	6,730	-	6,730
REIT Fund	2,016	-	2,016
Total investments and cash equivalents	$ 42,173	$ 14,850	$ 57,023

(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, 2015:

2015	Market Quoted Prices in Active Markets of Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Cash equivalents	$ 1,575	$ -	$ 1,575
Investments			
U.S. Treasury notes and Federal agencies	12,185	-	12,185
Asset-backed securities	-	274	274
Corporate debt securities	-	13,547	13,547
Domestic equity	22,270	-	22,270
International equity			
International Equity Fund	-	7,986	7,986
REIT Fund	2,136	-	2,136
Total investments and cash equivalents	$ 38,166	$ 21,807	$ 59,973

None of the Foundation's financial assets were classified as Level 3 of the fair value hierarchy as of December 31, 2016 and 2015.

During the year ended December 31, 2016, the Foundation transferred U.S. Treasury securities with a fair value of $10,958 from Level 1 to Level 2 due to observable inputs becoming less observable due to market inactivity. The Foundation's policy is to recognize transfers at the beginning of the reporting period. During the year ended December, 31, 2015, the Foundation had no transfers between Level 1 and Level 2 of the fair value hierarchy.

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.

The Foundation records contributed goods 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, 2016 and 2015, $1,217 and $1,556, 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. The contributions were unrestricted and will be used primarily to fund the mission of the Foundation. There were no such contributions received by the Foundation from IHG in 2016.

NOTE 5 FEDERAL EXCISE TAX

The liability for deferred Federal excise tax at December 31, 2016 and 2015, of $3 and $0, respectively, represents taxes provided on unrealized appreciation of the Foundation's investments based on its expectation to be subject to a 2% Federal excise tax in the future.

The current provision of the Federal excise tax was $46 and $57 for the years ended December 31, 2016 and 2015, respectively. The benefit for deferred Federal excise tax, which is based on the 2% tax rate on unrealized gains and losses in the investment portfolio, was $7 and $81 for the years ended December 31, 2016 and 2015, 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 9, 2017, which is the date that the financial statements were available to be issued for disclosure and recognition in the financial statements.