

# Return of Organization Exempt From Income Tax

**2012**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2012 calendar year, or tax year beginning** , 2012, and ending , 20

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization GROUP HEALTH FOUNDATION  Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 320 WESTLAKE AVE. N STE 100 City, town or post office, state, and ZIP code SEATTLE, WA 98109-5233	<b>D</b> Employer identification number 91-1246278
	<b>F</b> Name and address of principal officer: LAURA REHRMANN 320 WESTLAKE AVE. N, SUITE 100 SEATTLE, WA 98109	<b>E</b> Telephone number (206) 448-7330
	<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>G</b> Gross receipts \$ 4,219,545. <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
	<b>J</b> Website: WWW.GHC.ORG/FOUNDATION <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: 1983 <b>M</b> State of legal domicile: WA <b>H(c)</b> Group exemption number ▶

**Part I Summary**

<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTH OF OUR COMMUNITIES BY PARTNERING WITH GROUP HEALTH COOPERTIVE, A 501(C)(3) ORGANIZATION, TO INVEST IN INNOVATIVE RESEARCH, QUALITY HEALTH CARE AND COMMUNITY PARTNERSHIPS.		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	21.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16.
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	225.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
<b>Revenue</b>	8	Contributions and grants (Part VIII, line 1h)	2,992,101.	2,597,733.
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	484,565.	611,831.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10e, and 11e)	-215,655.	-253,800.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,261,011.	2,955,764.
	<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,021,478.
14		Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
16a		Professional fundraising fees (Part IX, column (A), line 11e)	129,876.	224,582.
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 228,200.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	64,938.	52,217.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,216,292.	2,701,907.
19	Revenue less expenses. Subtract line 18 from line 12	1,044,719.	253,857.	
<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)	19,374,263.	21,476,297.
	21	Total liabilities (Part X, line 26)	2,831,949.	2,773,114.
	22	Net assets or fund balances. Subtract line 21 from line 20	16,542,314.	18,703,183.

**Part II Signature Block**

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 officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer 	Date 10-25-13
	Type or print name and title LAURA W. REHRMANN, President	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name ROBISON, SUE	Preparer's signature 	Date 10/18/13	Check <input type="checkbox"/> if self-employed	PTIN P00560072
	Firm's name ▶ KPMG LLP	Firm's EIN ▶ 13-5565207		Phone no. 206-913-4000	
	Firm's address ▶ 1918 EIGHTH AVENUE, SUITE 2900 SEATTLE, WA 98101				

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2012)

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III  Yes  No

1 Briefly describe the organization's mission:

ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,468,085. including grants of \$ 1,468,085. ) (Revenue \$ )

ATTACHMENT 2

4b (Code: ) (Expenses \$ 579,317. including grants of \$ 579,317. ) (Revenue \$ )

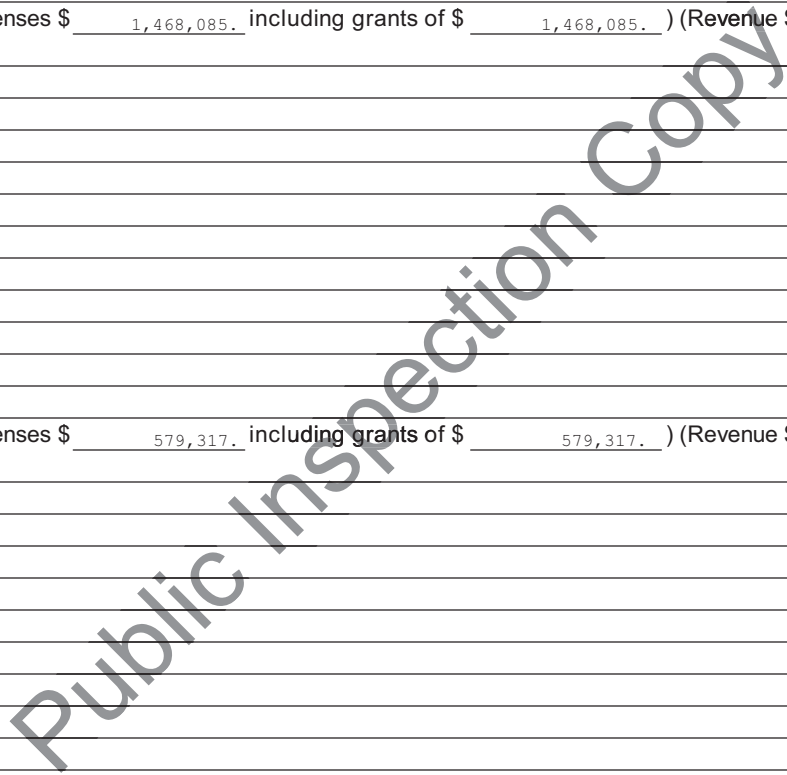
ATTACHMENT 3

4c (Code: ) (Expenses \$ 265,200. including grants of \$ 265,200. ) (Revenue \$ )

ATTACHMENT 4

4d Other program services (Describe in Schedule O.) ATTACHMENT 5  
(Expenses \$ 112,506. including grants of \$ 112,506. ) (Revenue \$ )

4e Total program service expenses 2,425,108.



Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows include questions 1 through 20b regarding organization details, lobbying, financial statements, and hospital facilities.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No response columns. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, excess benefit transactions, and other organizational activities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members... 2 Did any officer, director, trustee... 3 Did the organization delegate control... 4 Did the organization make any significant changes... 5 Did the organization become aware... 6 Did the organization have members... 7a Did the organization have members... 7b Are any governance decisions... 8 Did the organization contemporaneously document... 8a The governing body... 8b Each committee... 9 Is there any officer, director, trustee...

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters... 10b If "Yes," did the organization have written policies... 11a Has the organization provided a complete copy... 11b Describe in Schedule O the process... 12a Did the organization have a written conflict of interest policy... 12b Were officers, directors, or trustees... 12c Did the organization regularly and consistently monitor... 13 Did the organization have a written whistleblower policy... 14 Did the organization have a written document retention... 15 Did the process for determining compensation... 15a The organization's CEO... 15b Other officers or key employees... 16a Did the organization invest in, contribute assets to... 16b If "Yes," did the organization follow a written policy...

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed WA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[X] Own website [ ] Another's website [X] Upon request [ ] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: MARTIN DOPPS 320 WESTLAKE AVE N. SUITE 100 SEATTLE, WA 98109-5233 (206) 448-5146

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SCOTT E. ARMSTRONG DIRECTOR/ SECRETARY	1.00 40.00	X		X				0	1,109,905.	229,671.
(2) PHILLIP K. BUSSEY DIRECTOR/ IMMEDIATE PAST CHAIR	1.00 0	X		X				0	0	0
(3) ROBIN L. SHULER, CPA, MBA DIRECTOR/ TREASURER	1.00 0	X		X				0	0	0
(4) JAMES WONG DIRECTOR/ CHAIR	1.00 0	X		X				0	0	0
(5) ALEX BOGAARD DIRECTOR	1.00 0	X						0	0	0
(6) PETER DAVIS DIRECTOR	1.00 0	X						0	0	0
(7) IRA FIELDING, MD DIRECTOR	1.00 0	X						0	0	0
(8) DEBBIE HUNTINGTON DIRECTOR	1.00 40.00	X						0	373,104.	46,162.
(9) JANE A. JOHNSON DIRECTOR	1.00 0	X						0	0	0
(10) ERIC B. LARSON, MD DIRECTOR	1.00 40.00	X						0	362,708.	56,988.
(11) JEFF LINDENBAUM, MD DIRECTOR	1.00 0	X						0	0	0
(12) NEIL L. MCREYNOLDS DIRECTOR	1.00 0	X						0	0	0
(13) MICHELLE PURNELL - HEPBURN DIRECTOR	1.00 0	X						0	0	0
(14) JEFF SAKUMA DIRECTOR	1.00 40.00	X						0	130,430.	23,408.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) BARBARA SHICKICH ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 16) SANDEEP SINHA ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 17) KEVIN SULLIVAN ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 18) BARBARA TREHEARNE, PHD, RN ----- DIRECTOR	1.00 ----- 0	X						0	266,393.	17,301.
( 19) JANET WAINWRIGHT ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 20) MICHAEL WANDERER, MD ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 21) GEORGE H. WILLIAMS ----- DIRECTOR	1.00 ----- 0	X						0	0	0
( 22) LAURA REHRMANN ----- PRESIDENT	20.00 ----- 20.00			X				0	308,931.	34,101.
<b>1b Sub-total</b> .....								0	1,976,147.	356,229.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								0	575,324.	51,402.
<b>d Total (add lines 1b and 1c)</b> .....								0	2,551,471.	407,631.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 0

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> .....		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> .....	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> .....		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 6		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 1

**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>	680,697.			
	<b>d</b>	Related organizations . . . . .	<b>1d</b>	466,644.			
	<b>e</b>	Government grants (contributions) . .	<b>1e</b>				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>	1,450,392.			
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$		45,464.			
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .		2,597,733.			
	<b>Program Service Revenue</b>	<b>2a</b>		<b>Business Code</b>			
<b>b</b>							
<b>c</b>							
<b>d</b>							
<b>e</b>							
<b>f</b>		All other program service revenue . . . . .					
<b>g</b>		<b>Total.</b> Add lines 2a-2f . . . . .		0			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 7 . . . . .		508,627.			508,627.
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .		0			
	<b>5</b>	Royalties . . . . .		0			
	<b>6a</b>	Gross rents . . . . .	(i) Real				
			(ii) Personal				
			<b>b</b>	Less: rental expenses . . . . .			
			<b>c</b>	Rental income or (loss) . . . . .			
	<b>d</b>	Net rental income or (loss) . . . . .		0			
	<b>7a</b>	Gross amount from sales of assets other than inventory 1,018,770.	(i) Securities				
			(ii) Other				
			<b>b</b>	Less: cost or other basis and sales expenses . . . . .	915,566.		
			<b>c</b>	Gain or (loss) . . . . .	103,204.		
	<b>d</b>	Net gain or (loss) . . . . .		103,204.		103,204.	
	<b>8a</b>	Gross income from fundraising events (not including \$ 680,697. of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>	94,415.			
			<b>b</b>	Less: direct expenses . . . . .	348,215.		
<b>c</b>			Net income or (loss) from fundraising events . . . . .		-253,800.		-253,800.
<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>					
		<b>b</b>	Less: direct expenses . . . . .				
		<b>c</b>	Net income or (loss) from gaming activities . . . . .		0		
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
		<b>b</b>	Less: cost of goods sold . . . . .				
		<b>c</b>	Net income or (loss) from sales of inventory . . . . .		0		
Miscellaneous Revenue			<b>Business Code</b>				
<b>11a</b>							
		<b>d</b>	All other revenue . . . . .				
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		0				
<b>12</b>	<b>Total revenue.</b> See instructions . . . . .		2,955,764.			358,031.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 . . . . .	2,393,463.	2,393,463.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . . . .	31,645.	31,645.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . . . . .	0			
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages . . . . .	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	0			
9 Other employee benefits . . . . .	0			
10 Payroll taxes . . . . .	0			
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	0			
c Accounting . . . . .	0			
d Lobbying . . . . .	0			
e Professional fundraising services. See Part IV, line 17 . . . . .	224,582.			224,582.
f Investment management fees . . . . .	48,599.		48,599.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	0			
12 Advertising and promotion . . . . .	0			
13 Office expenses . . . . .	24.			24.
14 Information technology . . . . .	0			
15 Royalties . . . . .	0			
16 Occupancy . . . . .	0			
17 Travel . . . . .	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	0			
20 Interest . . . . .	0			
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	0			
23 Insurance . . . . .	3,594.			3,594.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a -----				
b -----				
c -----				
d -----				
e All other expenses -----				
<b>25 Total functional expenses.</b> Add lines 1 through 24e	2,701,907.	2,425,108.	48,599.	228,200.
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0			

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	0	<b>1</b>	0
	<b>2</b> Savings and temporary cash investments	744,435.	<b>2</b>	471,416.
	<b>3</b> Pledges and grants receivable, net	14,268.	<b>3</b>	9,651.
	<b>4</b> Accounts receivable, net	0	<b>4</b>	5,602.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use	0	<b>8</b>	0
	<b>9</b> Prepaid expenses and deferred charges	0	<b>9</b>	0
	<b>10 a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation	<b>10b</b>	<b>10c</b>	0
	<b>11</b> Investments - publicly traded securities <b>ATCH 10</b>	16,386,874.	<b>11</b>	18,325,503.
	<b>12</b> Investments - other securities. See Part IV, line 11	0	<b>12</b>	0
	<b>13</b> Investments - program-related. See Part IV, line 11	0	<b>13</b>	0
	<b>14</b> Intangible assets	0	<b>14</b>	0
	<b>15</b> Other assets. See Part IV, line 11	2,228,686.	<b>15</b>	2,664,126.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	19,374,263.	<b>16</b>	21,476,297.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	0	<b>17</b>	0
	<b>18</b> Grants payable	1,290,528.	<b>18</b>	1,448,501.
	<b>19</b> Deferred revenue	0	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities	0	<b>20</b>	0
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D	161,561.	<b>21</b>	129,943.
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	0	<b>23</b>	0
	<b>24</b> Unsecured notes and loans payable to unrelated third parties	0	<b>24</b>	0
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,379,860.	<b>25</b>	1,194,670.
	<b>26 Total liabilities.</b> Add lines 17 through 25	2,831,949.	<b>26</b>	2,773,114.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	4,262,468.	<b>27</b>	4,949,006.
	<b>28</b> Temporarily restricted net assets	4,173,353.	<b>28</b>	5,568,486.
	<b>29</b> Permanently restricted net assets	8,106,493.	<b>29</b>	8,185,691.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
<b>33</b> Total net assets or fund balances	16,542,314.	<b>33</b>	18,703,183.	
<b>34</b> Total liabilities and net assets/fund balances	19,374,263.	<b>34</b>	21,476,297.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	2,955,764.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	2,701,907.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	253,857.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	16,542,314.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	1,907,012.
<b>6</b>	Donated services and use of facilities	<b>6</b>	0
<b>7</b>	Investment expenses	<b>7</b>	0
<b>8</b>	Prior period adjustments	<b>8</b>	0
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	18,703,183.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?  
 If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?  
 If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

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**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2012**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
  - a  Type I    b  Type II    c  Type III-Functionally integrated    d  Type III-Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
  - (ii) A family member of a person described in (i) above?
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi) (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities; 13 First five years.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2012 (72.53%); 15 Public support percentage from 2011 Schedule A, Part II, line 14 (70.09%); 16a 33 1/3% support test - 2012 (checked); 16b 33 1/3% support test - 2011; 17a 10%-facts-and-circumstances test - 2012; 17b 10%-facts-and-circumstances test - 2011; 18 Private foundation.

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
 If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1 through 5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
<b>c</b> Add lines 7a and 7b. . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6. . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) . . . . .						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . . ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)). . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15 . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17 . . . . .	<b>18</b>	%

**19a 33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**b 33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2008	2009	2010	2011	2012	TOTAL
GIFT OF HEALTH GALA	67,768.	71,573.	65,003.	78,125.	78,875.	361,344.
RAFFLE TICKETS	4,482.	4,302.	3,747.			12,531.
FUN RUN TICKET SALES					15,540.	15,540.
<b>TOTALS</b>	<u>72,250.</u>	<u>75,875.</u>	<u>68,750.</u>	<u>78,125.</u>	<u>94,415.</u>	<u>389,415.</u>

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**Schedule of Contributors**

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

**2012**

Name of the organization  
 GROUP HEALTH FOUNDATION

Employer identification number  
 91-1246278

Organization type (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)(3) ( ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

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

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

**General Rule**

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

**Special Rules**

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

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

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

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

Name of organization GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

**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	----- ----- -----	\$ 389,416.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 70,978.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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Name of organization **GROUP HEALTH FOUNDATION**

Employer identification number

91-1246278

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----

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Name of organization **GROUP HEALTH FOUNDATION**

Employer identification number  
91-1246278

**Part III** *Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.* Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ \_\_\_\_\_

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
----- ----- -----		----- ----- -----	

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SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization: GROUP HEALTH FOUNDATION; Employer identification number: 91-1246278

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for totals, 5-6 for questions about donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Questions 1-9 regarding conservation easements, including a table for 'Held at the End of the Tax Year' with rows 2a-2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Questions 1a-1b and 2 regarding collections of art and historical treasures, including revenue and asset reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
a Public exhibition
b Scholarly research
c Preservation for future generations
d Loan or exchange programs
e Other
4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIII and complete the following table:
Table with columns: Amount, 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.
2a Did the organization include an amount on Form 990, Part X, line 21?
b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows include: 1a Beginning of year balance, b Contributions, c Net investment earnings, gains, and losses, d Grants or scholarships, e Other expenditures for facilities and programs, f Administrative expenses, g End of year balance.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
a Board designated or quasi-endowment %
b Permanent endowment 100.0000 %
c Temporarily restricted endowment %
The percentages in lines 2a, 2b, and 2c should equal 100%.
3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
(i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: Description of property, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows include: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other. Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ANNUITY PORTFOLIO	2,432,260.
(2) TIME SHARE CONDO	9,469.
(3) LIFE INSURANCE POLICIES CSV	75,991.
(4) RECEIVABLES FROM AFFILIATES	146,406.
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	2,664,126.

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ANNUITIES PAYABLE	827,690.
(3) ANNUITIES RESERVE	366,980.
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
(11) _____	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,194,670.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII.

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	7,921,956.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	1,907,013.	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	2,710,964.	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	4,617,977.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	3,303,979.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	-348,215.	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	-348,215.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	2,955,764.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	5,761,087.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>	2,710,965.	
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	348,215.	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	3,059,180.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	2,701,907.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	2,701,907.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

**Part XIII** Supplemental Information (continued)

## PART IV

## LINE 2B

FUNDS WERE GIVEN TO THE FOUNDATION TO GIVE TO SPECIFICALLY NAMED BENEFICIARIES.

## PART V

## LINE 4

PROCEEDS FROM THE FOUNDATION'S ENDOWMENT FUNDS ARE USED TO FURTHER ITS MISSION OF CREATING BETTER HEALTH. PROCEEDS MAY BE USED TO FUND THE FOUNDATION'S GRANT OR SCHOLARSHIP PROGRAMS OR BE USED DIRECTLY TO ENHANCE PATIENT CARE AT GROUP HEALTH OR IN THE COMMUNITY.

## PART XI

## LINE 4B

SPECIAL EVENTS REVENUE (GALA)	-\$307,550
SPECIAL EVENTS REVENUE (FUN RUN)	-\$40,665
	-----
TOTAL OTHER	-\$348,215

## PART XII

## LINE 2D

SPECIAL EVENTS EXPENSE (GALA)	\$307,550
SPECIAL EVENTS REVENUE (FUN RUN)	\$40,665
	-----
TOTAL OTHER	\$348,215

**SCHEDULE G**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

**Part I**

**Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a  Mail solicitations
- b  Internet and email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  **Yes**  **No**

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 HARRIS CONNECT LLC	TELE-FUNDRAISING		X	294,437.	128,530.	165,907.
2 CCS PRINTING	DIRECT MAIL		X	24,932.	77,464.	-52,532.
3						
4						
5						
6						
7						
8						
9						
10						
<b>Total</b>				319,369.	205,994.	113,375.

**3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

WA,

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Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Table with 5 columns: (a) Event #1 GALA, (b) Event #2 FUN RUN, (c) Other events, (d) Total events. Rows include Revenue (Gross receipts, Less: Contributions, Gross income) and Direct Expenses (Cash prizes, Noncash prizes, Rent/facility costs, Food and beverages, Entertainment, Other direct expenses, Direct expense summary, Net income summary).

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Table with 5 columns: (a) Bingo, (b) Pull tabs/instant bingo/progressive bingo, (c) Other gaming, (d) Total gaming. Rows include Revenue (Gross revenue) and Direct Expenses (Cash prizes, Noncash prizes, Rent/facility costs, Other direct expenses, Volunteer labor, Direct expense summary, Net gaming income summary).

9 Enter the state(s) in which the organization operates gaming activities:
a Is the organization licensed to operate gaming activities in each of these states?
b If "No," explain:
10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?
b If "Yes," explain:

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

a The organization's facility	<b>13a</b>	%
b An outside facility	<b>13b</b>	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_.
- c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

GROUP HEALTH FOUNDATION

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2012**

**Open to Public  
Inspection**

Employer identification number

91-1246278

**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N STE100 SEATTLE, WA 98109	91-0511770	501(C)(3)	489,902.				PROMOTE CHILDREN'S HEALTH
(2)	WASHINGTON ALLIANCE FOR SCHOOL HEALTH CARE 3875 SOUTH 66TH ST. TACOMA, WA 98409	45-0937382	501(C)(3)	10,000.				PROMOTE CHILDREN'S HEALTH
(3)	BOYS AND GIRLS CLUB OF SOUTH PUGET SOUND 3875 SOUTH 66TH ST. TACOMA, WA 98409	91-0759832	CITY BREMERTON	11,448.				PROMOTE CHILDREN'S HEALTH
(4)	WILTHINREACH 155 NE 100TH ST. STE 500 SEATTLE, WA 98125	91-1443685	501(C)(3)	19,639.				PROMOTE CHILDREN'S HEALTH
(5)	SPOKANE REGIONAL HEALTH DISTRICT 1101 W COLLEGE AVE RM 360 SPOKANE, WA 99201	91-1527532	CITY OF SPOKANE	38,129.				PROMOTE CHILDREN'S HEALTH
(6)	SNOHOMISH HEALTH DISTRICT 3020 RUCKER AVE. STE 308 EVERETT, WA 98201	91-1866899	SNOHOMISH CNTY	10,000.				PROMOTE CHILDREN'S HEALTH
(7)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N SEATTLE, WA 98109	91-0511770	503(C)(3)	72,690.				SUPPORT EVALUATION AND RESEARCH
(8)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N SEATTLE, WA 98109	91-0511770	501(C)(3)	5,436.				GENERAL MISSION SUPPORT
(9)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N SEATTLE, WA 98109	91-0511770	501(C)(3)	265,200.				PREVENTION AND HEALTH PROMOTION
(10)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N. SEATTLE, WA 98109	91-0511770	501(C)(3)	1,457,769.				ENHANCE QUALITY CARE
(11)	BELLEVUE COLLEGE FOUNDATION 3000 LANDERHOLM CIRCLE SE, #A101	91-1051671	501(C)(3)	7,500.				ENHANCE QUALITY CARE
(12)								

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... 4
- 3 Enter total number of other organizations listed in the line 1 table ..... 3

For Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule I (Form 990) (2012)**

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1	SCHOLARSHIPS FOR HEALTH-RELATED CAREER STUDENTS	11.	14,336.			
2	EMERGENCY ASSISTANCE GRANTS	22.	17,309.			
3						
4						
5						
6						
7						

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS

SCHEDULE I, PART IV

GRANT RECIPIENTS ARE REQUIRED TO COMPLETE AND SIGN AN ACKNOWLEDGMENT OF

GRANT COMPLIANCE FORM UPON ACCEPTANCE OF THE AWARD, INDICATING THE

BEGINNING AND END DATES OF THE PROJECT, PROGRESS REPORT DEADLINES, AND A

PROJECT OVERVIEW. PROGRESS REPORTS ARE SUBMITTED ACCORDING TO THE

AGREED-UPON SCHEDULE TO THE DIRECTOR OF GRANTS AND COMMUNITY PROGRAMS,

AND INCLUDE EXPENDITURE DETAILS AND ACTIVITIES OR IMPACT MADE TO DATE.

PROGRESS AND GRANT SUMMARIES ARE PRESENTED TO THE FOUNDATION BOARD OF

DIRECTORS AT LEAST ANNUALLY. UNSPENT FUNDS AT THE GRANT'S CONCLUSION ARE



**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

RETURNED TO THE FOUNDATION. THE FOUNDATION ALSO MANAGES DONATIONS RESTRICTED FOR THE USE OF PARTICULAR GROUP HEALTH PROGRAMS AND DEPARTMENTS. AFTER AN EXPENSE THAT MEETS A DONOR RESTRICTION HAS BEEN INCURRED, THE DEPARTMENT'S MANAGER MAY REQUEST A REIMBURSEMENT. THE REIMBURSEMENT MUST BE APPROVED BY BOTH THE DEPARTMENT'S ADMINISTRATOR AND A FOUNDATION MANAGER.



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

**Open to Public Inspection**

Name of the organization

GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

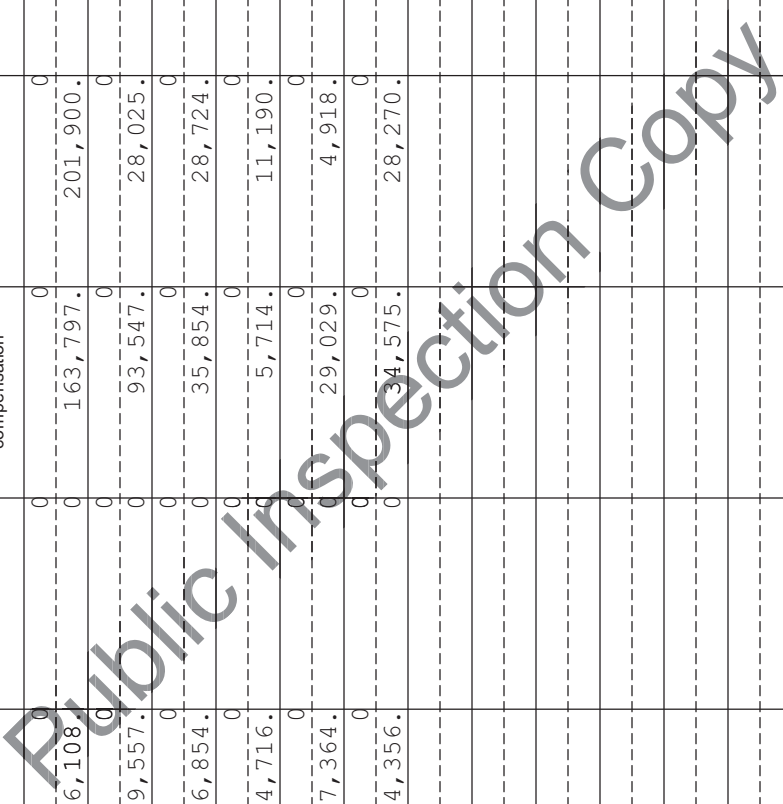
Schedule J (Form 990) 2012

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	SCOTT E. ARMSTRONG DIRECTOR/ SECRETARY	946,108.	0	163,797.	201,900.	28,444.	1,340,249.	0
2	DEBBIE HUNTINGTON DIRECTOR	279,557.	0	93,547.	28,025.	18,810.	419,939.	0
3	ERIC B. LARSON, MD DIRECTOR	326,854.	0	35,854.	28,724.	29,704.	421,136.	0
4	JEFF SAKUMA DIRECTOR	124,716.	0	5,714.	11,190.	12,389.	154,009.	0
5	BARBARA TREHEARNE, PHD, DIRECTOR	237,364.	0	29,029.	4,918.	13,660.	284,971.	0
6	LAURA REHRMANN PRESIDENT	274,356.	0	34,575.	28,270.	6,762.	343,963.	0
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								



**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

PART 1, LINE 4B

OFFICERS AND DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. THE GROUP HEALTH COOPERATIVE PRESIDENT AND CEO, THE EXECUTIVE VICE PRESIDENTS, AND THE VICE PRESIDENTS ARE ELIGIBLE TO PARTICIPATE IN A NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (THE "PLAN") APPROVED BY THE GROUP HEALTH COOPERATIVE BOARD OF TRUSTEES COMPENSATION COMMITTEE AND ADMINISTERED BY THE COMPENSATION COMMITTEE.

GROUP HEALTH CREDITS TO THE ACCOUNT OF EACH ACTIVE PARTICIPANT AN ANNUAL CONTRIBUTION AMOUNT OF NINE PERCENT OF THE PARTICIPANT'S BASE SALARY AND 15.3% FOR THE CEO. THE FORMULA FOR THE ANNUAL CONTRIBUTION IS BASED ON THE PARTICIPANT'S BASE SALARY AND EXCLUDES ANY INCENTIVE PLAN OR BONUS PAYMENT AMOUNTS. THE PLAN BALANCES ARE SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE UNTIL THE PARTICIPANT HAS VESTED AND MET OTHER PLAN REQUIREMENTS. VESTING OCCURS AFTER EITHER THREE YEARS OR FIVE YEARS FROM THE DATE ON WHICH A PARTICIPANT ENTERS THE PLAN, BASED ON THE PARTICIPANT'S DATE OF HIRE (AS OF JANUARY 1, 2008, ALL NEW EXECUTIVE VICE PRESIDENT AND VICE PRESIDENT HIRES ARE SUBJECT TO A FIVE-YEAR VESTING SCHEDULE). PARTICIPANTS WHO INCUR A SEPARATION FROM SERVICE PRIOR TO



**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

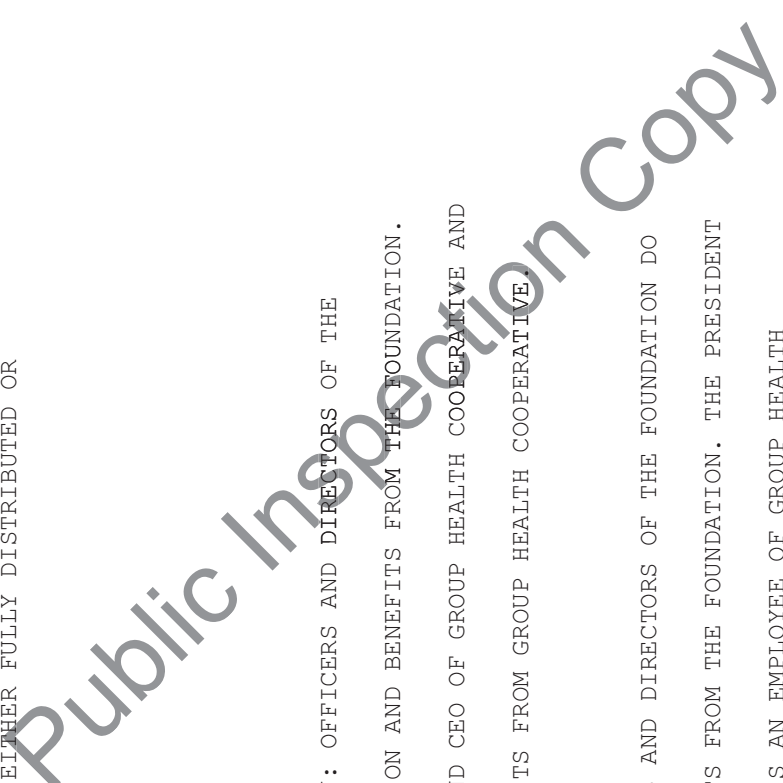
THEIR VESTING DATE ARE NOT ELIGIBLE FOR PLAN DISTRIBUTIONS UNLESS CERTAIN PLAN CONDITIONS ARE MET. A PARTICIPANT REMAINS ELIGIBLE TO PARTICIPATE UNTIL HIS OR HER ACCOUNT BALANCE IS EITHER FULLY DISTRIBUTED OR FORFEITED.

PART II

(A)

SCOTT ARMSTRONG - DIRECTOR/SECRETARY: OFFICERS AND DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. SCOTT ARMSTRONG, IS THE PRESIDENT AND CEO OF GROUP HEALTH COOPERATIVE AND RECEIVES THE COMPENSATION AND BENEFITS FROM GROUP HEALTH COOPERATIVE.

LAURA REHRMANN - PRESIDENT: OFFICERS AND DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. THE PRESIDENT OF THE FOUNDATION, LAURA REHRMANN, IS AN EMPLOYEE OF GROUP HEALTH COOPERATIVE. BY CONTRACT, GROUP HEALTH COOPERATIVE CONTRIBUTES THE TIME AND SERVICES OF MS. REHRMANN TO SERVE AS PRESIDENT OF THE FOUNDATION.



**Part III Supplemental Information**

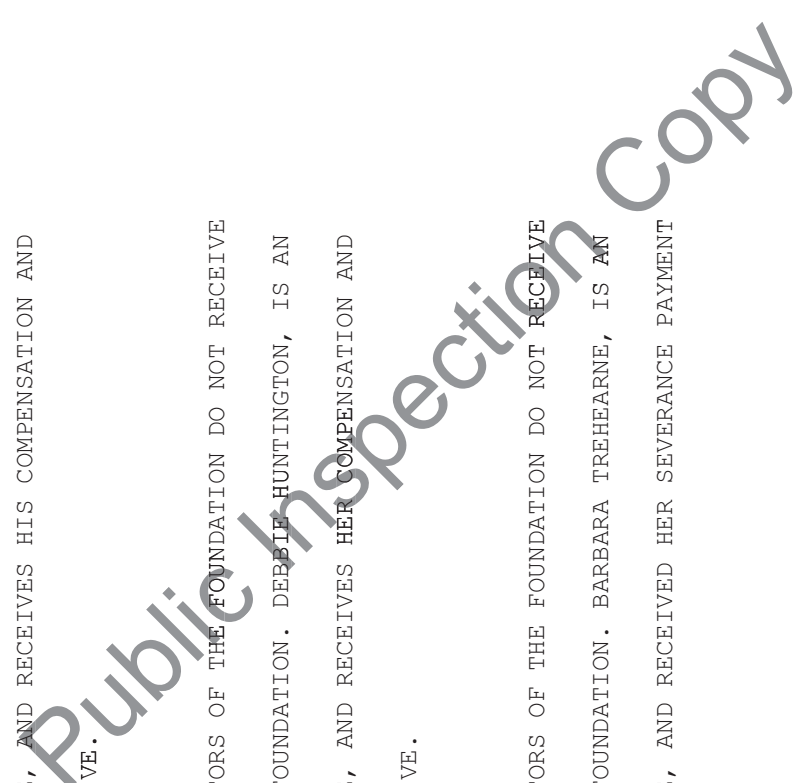
Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

JEFFREY SAKUMA - DIRECTOR: DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. JEFFREY SAKUMA, IS AN EMPLOYEE OF GROUP HEALTH COOPERATIVE, AND RECEIVES HIS COMPENSATION AND BENEFITS FROM GROUP HEALTH COOPERATIVE.

DEBBIE HUNTINGTON - DIRECTOR: DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. DEBBIE HUNTINGTON, IS AN EMPLOYEE OF GROUP HEALTH COOPERATIVE, AND RECEIVES HER COMPENSATION AND BENEFITS FROM GROUP HEALTH COOPERATIVE.

BARBARA TREHEARNE - DIRECTOR: DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. BARBARA TREHEARNE, IS AN EMPLOYEE OF GROUP HEALTH COOPERATIVE, AND RECEIVED HER SEVERANCE PAYMENT FROM GROUP HEALTH COOPERATIVE.

ERIC LARSON, MD - DIRECTOR: DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. ERIC LARSON, IS AN EMPLOYEE OF GROUP HEALTH COOPERATIVE, AND RECEIVES HIS COMPENSATION AND



**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

BENEFITS FROM GROUP HEALTH COOPERATIVE.

COMPENSATION METHODS

PART I, LINE 3

OFFICERS AND DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. THE GROUP HEALTH PRESIDENT AND CEO, THE EXECUTIVE VICE PRESIDENTS, AND THE VICE PRESIDENTS ARE EACH PARTIES TO WRITTEN EMPLOYMENT AGREEMENTS WITH GROUP HEALTH COOPERATIVE THAT PROVIDE FOR COMPENSATION AND BENEFITS. THE PRESIDENT AND CEO'S COMPENSATION AGREEMENT IS APPROVED BY THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES.



**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

OMB No. 1545-0047

**2012**

**Open To Public  
Inspection**

Name of the organization

GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art . . . . .				
2 Art - Historical treasures . . . . .				
3 Art - Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities - Publicly traded . . . . .	X	3.	12,920.	MARKET STOCK PRICE
10 Securities - Closely held stock . . . . .				
11 Securities - Partnership, LLC, or trust interests . . . . .				
12 Securities - Miscellaneous . . . . .				
13 Qualified conservation contribution - Historic structures . . . . .				
14 Qualified conservation contribution - Other . . . . .				
15 Real estate - Residential . . . . .				
16 Real estate - Commercial . . . . .				
17 Real estate - Other . . . . .				
18 Collectibles . . . . .	X	1.	1,699.	REPLACEMENT COST
19 Food inventory . . . . .	X	1.	3,168.	REPLACEMENT COST
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( <u>ATCH 1</u> ) . . . . .		2.	27,677.	
26 Other ▶ ( _____ ) . . . . .				
27 Other ▶ ( _____ ) . . . . .				
28 Other ▶ ( _____ ) . . . . .				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . . **29** 11.

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	X	
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2012)

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

OTHER NONCASH CONTRIBUTIONS

SCHEDULE M, PART I

GROUP HEALTH FOUNDATION HAS REPORTED ON SCHEDULE M, PART I, COLUMN (B)

THE TOTAL NUMBER OF 7 CONTRIBUTIONS RECEIVED.

Public Inspection Copy

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

ATTACHMENT 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>(A) CHECK</u>	<u>(B) NUMBER OF CONTRIBUTIONS</u>	<u>(C) REVENUES REPORTED</u>	<u>(D) METHOD OF DETERMINING</u>
GALA PRINTING	X	1.	23,677.	REPLACEMENT COST
MEDICAL SPA GIFT CARDS	X	1.	4,000.	REPLACEMENT COST
TOTALS		<u>2.</u>	<u>27,677.</u>	

Public Inspection Copy

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.**

OMB No. 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

GROUP HEALTH FOUNDATION

Employer identification number

91-1246278

MEMBERS OR STOCKHOLDERS

PART VI, SECTION A, LINE 6

GROUP HEALTH FOUNDATION IS ORGANIZED AS A NOT-FOR-PROFIT ORGANIZATION,  
GOVERNED BY AN ELECTED BOARD OF DIRECTORS. GROUP HEALTH COOPERATIVE IS  
THE SOLE MEMBER OF THE GROUP HEALTH FOUNDATION. GROUP HEALTH COOPERATIVE  
IS ALSO A 501(C)(3) ORGANIZATION. ITS BOARD OF TRUSTEES IS ITS GOVERNING  
BODY.

VOTING OF THE GOVERNING BODY

PART VI, SECTION A, LINE 7A

GROUP HEALTH FOUNDATION'S MEMBER (GROUP HEALTH COOPERTIVE) CONTROLS THE  
ELECTION OF THE FOUNDATION'S BOARD OF DIRECTORS, BECAUSE THE ELECTION OF  
THE FOUNDATION DIRECTORS IS SUBJECT TO CONFIRMATION BY THE MEMBER.

DECISION OF THE GOVERNING BODY APPROVAL

PART VI, SECTION A, LINE 7B

THE FOLLOWING POWERS ARE RESERVED TO THE MEMBER: 1) THE POWER TO ALTER,  
AMEND, REPEAL OR SUSPEND THE BYLAWS OR ADOPT NEW BYLAWS, EXCEPT AS SUCH  
POWER IS SPECIFICALLY DELEGATED IN THE BYLAWS TO THE BOARD OF DIRECTORS;  
2) ADOPTION OF AMENDMENTS OF THE ARTICLES OF INCORPORATION; 3) APPROVAL  
OF A PLAN OF MERGER OR CONSOLIDATION; 4) AUTHORIZATION OF THE SALE,  
LEASE, EXCHANGE, MORTGAGE, PLEDGE, OR OTHER DISPOSITION OF ALL OR  
SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF THE CORPORATION; 5)  
AUTHORIZATION OF THE VOLUNTARY DISSOLUTION OF THE CORPORATION AND

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
---	--

ADOPTION OF ANY PLAN OF DISTRIBUTION.

FORM 990 REVIEW PROCESS

PART VI, SECTION B, LINE 11A

THE BOARD OF DIRECTORS DELEGATED THE REVIEW OF THE FORM 990 TO THE FINANCE & AUDIT COMMITTEE. THE ORGANIZATION'S DIRECTOR OF OPERATIONS WORKED WITH THE GROUP HEALTH COOPERATIVE MANAGER OF STATUTORY AND TAX REPORTING AND THE OUTSIDE ACCOUNTING FIRM ENGAGED TO PREPARE THE RETURN. SUBSEQUENT TO ITS PREPARATION, THE FINANCE & AUDIT COMMITTEE REPORTED BACK TO THE BOARD REGARDING ITS REVIEW OF THE FORM 990. A COMPLETE COPY OF THE FINAL FORM 990 WAS PROVIDED TO ALL VOTING MEMBERS PRIOR TO FILING WITH THE IRS.

MONITORING & ENFORCING COMPLIANCE WITH POLICY

PART VI, SECTION B, LINE 12C

DIRECTOR AND OFFICER WRITTEN CONFLICT OF INTEREST DISCLOSURE

GHF DIRECTORS AND OFFICERS SHALL PROVIDE A WRITTEN DECLARATION OF ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST OR ATTEST THAT NO SUCH CONFLICTS EXIST ON AN ANNUAL BASIS USING FORMS AND PROCEDURES DEVELOPED BY THE CHIEF COMPLIANCE OFFICER OF GROUP HEALTH. THE CHIEF COMPLIANCE OFFICER, OR HIS/HER DESIGNEE, WILL REVIEW THE ANNUAL DISCLOSURES FOR COMPLIANCE WITH THIS POLICY. ANY APPARENT CONFLICTS OF INTEREST OR INSTANCES OF NONCOMPLIANCE WITH THIS POLICY WILL BE REFERRED BY THE CHIEF COMPLIANCE OFFICER TO THE CHAIR OF THE GHF FOR RESOLUTION AS DESCRIBED BELOW.

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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DURING THE YEAR, DIRECTORS AND OFFICERS SHALL REPORT MATERIAL ADDITIONS OR CHANGES TO THE INFORMATION PROVIDED ON ANNUAL CONFLICT OF INTEREST DECLARATIONS. THESE ADDITIONS OR CHANGES TO THE DECLARATIONS WILL BE SUBMITTED AND ASSESSED BY THE CHIEF COMPLIANCE OFFICER AND FORWARDED TO THE EXECUTIVE COMMITTEE, AS NECESSARY, FOLLOWING THE PROCESS USED FOR ANNUAL DECLARATIONS.

THE CHAIR OF THE GHF SHALL COUNSEL ANY DIRECTOR OR OFFICER ABOUT ACTUAL OR POTENTIAL CONFLICTS OF INTEREST AND OTHER INSTANCES OF NONCOMPLIANCE WITH THIS POLICY, INCLUDING APPARENT UNDISCLOSED CONFLICTS OF INTEREST AND, IF NOT RESOLVED TO HIS/HER SATISFACTION, SHALL PLACE THE MATTER ON THE AGENDA OF AN EXECUTIVE SESSION. THE CHIEF COMPLIANCE OFFICER WILL SUPPORT THE CHAIR IN FULFILLING THIS RESPONSIBILITY.

DIRECTOR DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICT OF INTERESTS IN ADVANCE OF BOARD ACTION.

EACH DIRECTOR IS OBLIGATED TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST WHEN SUCH AN INTEREST BECOMES A MATTER FOR BOARD ACTION.

AFTER DISCLOSURE OF A POTENTIAL CONFLICT OF INTEREST, INCLUDING ALL MATERIAL FACTS, AND AFTER DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE REMAINING MEMBERS DISCUSS AND VOTE ON WHETHER A CONFLICT OF INTEREST EXISTS.

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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IF THERE IS A CONFLICT OF INTEREST, THE INTERESTED PERSON MAY PROVIDE A PRESENTATION TO THE BOARD OR COMMITTEE REGARDING THE TRANSACTION AND ANSWER ANY QUESTIONS REGARDING THE PROPOSED TRANSACTION. THE INTERESTED PERSON MUST THEN LEAVE THE MEETING DURING ANY DISCUSSION OF AND THE VOTE ON THE TRANSACTION OR ARRANGEMENT THAT RESULTED IN A CONFLICT OF INTEREST.

AFTER THE INTERESTED PERSON HAS LEFT THE BOARD OR COMMITTEE MEETING, THE REMAINING MEMBERS SHALL FIRST DISCUSS WHETHER IT IS APPROPRIATE TO APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT. AN EXAMPLE OF A CIRCUMSTANCE WHERE IT MAY NOT BE APPROPRIATE TO INVESTIGATE ALTERNATIVES WOULD BE CONFLICTS ARISING IN THE GHF'S GRANT MAKING AND AWARDING PROCESS. THE PURPOSE OF SUCH INVESTIGATION SHALL BE WHETHER THE GHF CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST. IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST IS NOT REASONABLY ATTAINABLE UNDER THE CIRCUMSTANCES, THE DISINTERESTED MEMBERS OF THE BOARD OR COMMITTEE SHALL VOTE ON THE TRANSACTION OR ARRANGEMENT CONSIDERING WHETHER IT IS IN THE BEST INTEREST OF GHF AND FAIR AND REASONABLE TO GHF.

OFFICER DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICT OF INTEREST

GHF OFFICERS SHALL DISCLOSE AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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WHEN SUCH AN INTEREST IS RELEVANT TO A MATTER IN WHICH THEY HAVE A ROLE, EITHER DIRECTLY OR THROUGH SUBORDINATES ACTING AT THEIR DIRECTION. ANY GHF OFFICER HAVING AN ACTUAL CONFLICT OF INTEREST RELATED TO A MATTER AT ISSUE SHOULD NOT PARTICIPATE IN THE MATTER OR USE HIS/HER PERSONAL OR PROFESSIONAL INFLUENCE ON THE MATTER. ANY GHF OFFICER WHO MAY HAVE A POTENTIAL CONFLICT OF INTEREST IS EXPECTED TO ABSTAIN FROM PARTICIPATION OR STATING HIS/HER POSITION IN THE MATTER, OR MAY ASK HIS/HER DIRECT SUPERVISOR TO DETERMINE IF HE/SHE FEELS THE POTENTIAL CONFLICT OF INTEREST IS SIGNIFICANT ENOUGH TO MAKE IT APPROPRIATE FOR THE INDIVIDUAL TO ABSTAIN FROM PARTICIPATION IN THE MATTER. CONSULTATION WITH THE CHIEF COMPLIANCE OFFICER IS RECOMMENDED WHEN IT IS DIFFICULT TO DETERMINE WHETHER THE CIRCUMSTANCES CONSTITUTE A CONFLICT OF INTEREST.

#### ORGANIZATION COMPENSATION REVIEW & APPROVAL

PART VI, SECTION B, LINE 15

OFFICERS AND DIRECTORS OF THE FOUNDATION DO NOT RECEIVE COMPENSATION AND BENEFITS FROM THE FOUNDATION. OFFICERS AND DIRECTORS RECEIVE COMPENSATION AND BENEFITS FROM GROUP HEALTH COOPERATIVE (GHC). GHC IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES ("THE BOARD"), COMPRISED OF 11 CONSUMERS ELECTED BY GHC'S VOTING MEMBERS. THE BOARD HAS DELEGATED TO THE COMPENSATION COMMITTEE OF THE BOARD (THE "COMMITTEE") THE RESPONSIBILITY FOR NEGOTIATING AND APPROVING THE EMPLOYMENT AGREEMENT AND COMPENSATION PACKAGE FOR THE GHC PRESIDENT AND CHIEF EXECUTIVE OFFICER ("CEO"); APPROVING THE EXECUTIVE TOTAL COMPENSATION PHILOSOPHY THAT DRIVES ALL EXECUTIVE COMPENSATION DECISIONS; AND APPROVING COMPENSATION FOR THE EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS OF

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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GHC. THE FIVE MEMBERS OF THE COMMITTEE ARE THE CHAIR OF THE BOARD OF TRUSTEES, THE VICE CHAIR, THE IMMEDIATE PAST CHAIR, AND TWO ADDITIONAL TRUSTEES SELECTED BY THE CHAIR. AS ADOPTED BY THE COMMITTEE, THE EXECUTIVE TOTAL COMPENSATION PHILOSOPHY PROVIDES THAT GHC WILL MAINTAIN AN EXECUTIVE TOTAL COMPENSATION PROGRAM DESIGNED TO FACILITATE THE ACHIEVEMENT OF ITS CHARITABLE MISSION, VALUES AND ORGANIZATIONAL GOALS. EXECUTIVE COMPENSATION IS SET "AT A LEVEL THAT ENABLES THE ORGANIZATION TO ATTRACT, RETAIN, MOTIVATE AND REWARD THE HIGHEST CALIBER EXECUTIVES AT A COST THAT IS JUSTIFIABLE TO THE BOARD OF TRUSTEES AND OUR MEMBERS AND CONSISTENT WITH OUR CHARITABLE MISSION." BASED UPON THOSE PRINCIPLES, THE PHILOSOPHY CONFIRMS THAT ALTHOUGH COMPENSATION WILL BE COMPETITIVE AS COMPARED TO COMPARABLE HEALTH CARE ORGANIZATIONS, BASE SALARY RANGES WILL BE BUILT AROUND 50TH PERCENTILE MARKET BASE PAY LEVELS, ANNUAL INCENTIVES WILL BE TARGETED AT THE 50TH PERCENTILE (WITH AN OPPORTUNITY TO EARN ABOVE THAT LEVEL BASED ON PERFORMANCE), AND BENEFITS AND PERQUISITES WILL BE ESTABLISHED CONSISTENT WITH MARKET PRACTICES. CONSISTENT WITH THIS PHILOSOPHY, THE COMMITTEE REVIEWS AND APPROVES THE ANNUAL PERFORMANCE GOALS AND CRITERIA TO BE USED IN DETERMINING SALARY INCREASES AND INCENTIVE COMPENSATION CRITERIA FOR THE GHC CEO, EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS (WHICH GROUP INCLUDES ALL GHC KEY EMPLOYEES AND GHC OFFICERS, EXCLUDING THE CHAIR OF THE BOARD AND THE VICE CHAIR, WHO ARE NOT EMPLOYED BY GHC). THE COMMITTEE ALSO HIRES A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT (AN INDEPENDENT EXPERT) TO REVIEW, ANALYZE AND PROVIDE BENCHMARKING DATA FOR THE TOTAL COMPENSATION AND BENEFITS PACKAGES OF THE CEO, EXECUTIVE VICE PRESIDENTS

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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AND VICE PRESIDENTS. APPROPRIATE COMPARABILITY DATA IS OBTAINED FROM THE INDEPENDENT EXPERTS, I.E., COMPENSATION PAID BY SIMILARLY SITUATED ORGANIZATIONS (BOTH TAXABLE AND TAX-EXEMPT, OF SIMILAR SIZE AND IN THE SAME INDUSTRY) FOR SIMILAR JOB RESPONSIBILITIES. THE COMMITTEE'S WRITTEN RECORDS AND MINUTES INCLUDE THE (1) TERMS OF THE ARRANGEMENT WITH THE DISQUALIFIED PERSON (INCLUDING THE DATE THE ARRANGEMENT WAS APPROVED); (2) A LIST OF MEMBERS PRESENT DURING THE DEBATE ON THE TRANSACTION (AND HOW THE MEMBERS VOTED WHEN IT WAS APPROVED); AND (3) A DESCRIPTION OF THE COMPARABLE DATA RELIED ON BY THE COMMITTEE. KEY DELIBERATIONS OF THE COMMITTEE ARE ALSO DOCUMENTED IN MINUTES WHICH ARE APPROVED AT THE NEXT COMMITTEE MEETING. THE COMMITTEE'S COMPENSATION DECISIONS ARE SHARED WITH THE FULL BOARD OF TRUSTEES.

PUBLIC INFORMATION

PART VI, SECTION C, LINE 19

WHILE FEDERAL TAX LAWS DO NOT MANDATE THAT THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS BE MADE AVAILABLE FOR PUBLIC INSPECTION, THE ORGANIZATION MAKES THESE DOCUMENTS AVAILABLE UPON REQUEST.

FOUNDATION POLICIES INCLUDING CONFLICT OF INTEREST, DISCLOSURE OF MISCONDUCT (WHISTLEBLOWER) AND DOCUMENT RETENTION AND DESTRUCTION ARE AVAILABLE ON THE WEBSITE. FOUNDATION FORM 990 IS ALSO AVAILABLE ON THE WEBSITE.

NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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## PART XI, LINE 5

UNRESTRICTED - UNREALIZED GAIN/LOSS ON INVESTMENTS	\$708,788
TEMPORARY RESTRICTED - UNREALIZED GAIN/LOSS ON INVESTMENTS	\$1,036,954
ANNUITY RESERVE ADJUSTMENTS - UNREALIZED GAIN/LOSS	\$161,270
	-----
TOTAL	\$1,907,012

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

GROUP HEALTH FOUNDATION (THE FOUNDATION) IS A NOT FOR PROFIT ORGANIZATION UNDER SECTION 170(B)(1)(A)(VI) OF THE INTERNAL REVENUE CODE. THE FOUNDATION'S PURPOSE IS TO IMPROVE THE HEALTH OF OUR COMMUNITIES BY PARTNERING WITH GROUP HEALTH COOPERATIVE, A 501(C)(3) CHARITABLE ORGANIZATION, TO INVEST IN INNOVATIVE RESEARCH, QUALITY HEALTH CARE AND COMMUNITY PARTNERSHIPS. TO THAT END, IN 2012, THE FOUNDATION AWARDED GRANTS, PROVIDED TECHNICAL ASSISTANCE, AND CONDUCTED SPECIFIC PROGRAMS FUNDED THROUGH A VARIETY OF SOURCES, DESIGNED TO PROMOTE CHILDREN'S HEALTH AND FITNESS, HEALTH EDUCATION AND PREVENTIVE CARE, HEALTH CARE QUALITY, HEALTH-RELATED RESEARCH, AND DIVERSITY. THESE ACTIVITIES ARE INTENDED TO ULTIMATELY PRODUCE HEALTHIER COMMUNITIES AND MORE AFFORDABLE HEALTH CARE.

ATTACHMENT 2FORM 990, PART III - PROGRAM SERVICE, LINE 4A

QUALITY OF CARE AND SERVICE: THE PARTNERSHIP FOR INNOVATION BEGAN IN 2008 TO PROMOTE NON-PROPRIETARY AND PUBLIC DOMAIN INNOVATION

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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ATTACHMENT 2 (CONT'D)

AND RESEARCH AT GROUP HEALTH. THE PLAN AIMS TO RAISE FUNDS TO SUPPORT INNOVATION, FOSTER THE CULTURE OF INNOVATION, SUPPORT ONGOING EFFORTS TO INNOVATE, SUPPORT LONG-TERM STRATEGIC OBJECTIVES, AND ASSIST IN TRANSFORMING STRATEGIC OBJECTIVES. GROUP HEALTH FOUNDATION FUNDS PILOT TESTS, EVALUATIONS AND DISSEMINATION.

## INNOVATION GRANTS

-SUPPORTED A GRANT PROGRAM WHERE 38 PROPOSALS WERE REVIEWED, 16 PILOT TESTS WERE IMPLEMENTED, A NATIONAL CONFERENCE WAS SPONSORED, AND MANUSCRIPTS WERE PUBLISHED IN PEER-REVIEW JOURNALS.

## FELLOWSHIPS AND LEADERSHIP GRANTS

-SUPPORTED A TWO-YEAR POST-DOCTORAL FELLOWSHIP POSITION IN THE GROUP HEALTH RESEARCH INSTITUTE. PROVIDED LEADERSHIP FOR TOMORROW GRANTS TO PHYSICIANS.

ATTACHMENT 3FORM 990, PART III - PROGRAM SERVICE, LINE 4B

CHILDREN'S HEALTH: THE CAMPAIGN TO INCREASE IMMUNIZATION RATES BEGAN IN 2008 WITH STRATEGIES TO ADDRESS VACCINE HESITANCY AND TO INCREASE ACCESS TO FREE IMMUNIZATIONS. THE SECOND PHASE OF THE PROGRAM BEGAN IN 2011 AND MAINTAINED ITS FOCUS ON PROVIDERS, PARENTS AND SCHOOLS.

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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ATTACHMENT 3 (CONT'D)

## PROVIDERS

-SUPPORTED A 3-YEAR RANDOMIZED CONTROLLED TRIAL INVOLVING 56 CLINICS IN TWO COUNTIES, PROVIDERS IN 36 CLINICS WERE TRAINED WITH THE PROVIDER TOOL KIT, AND 400 MOTHERS WERE RECRUITED FOR PRE AND POST-TEST SURVEYS.

## PARENTS

-SUPPORTED THE DEVELOPMENT OF THE PARENT ADVOCATE CURRICULUM TO PROMOTE PARENTS' PEER-TO-PEER SUPPORT OF IMMUNIZATIONS, 13 PARENT ADVOCATES WERE RECRUITED AND TRAINED, 7 SCHOOLS AND CHILD CARE CENTERS WERE RECRUITED FOR THE PILOT TEST, AND A FORMATIVE EVALUATION WAS CONDUCTED IN 2012 AND 2013.

## SCHOOLS

-SUPPORTED A STATE-WIDE NEEDS ASSESSMENT WITH INPUT FROM 152 SCHOOLS IN 89 SCHOOL DISTRICTS, THE DEVELOPMENT OF A TOOL KIT TO IMPROVE IMMUNIZATION RECORD KEEPING FOR SCHOOL STAFF, AND PILOT TESTED AND EVALUATED IN 5 SCHOOL DISTRICTS AND 2 CHILD CARE CENTERS.

## HEALTH EDUCATION

-MAINTAINED THE HEALTH TREK FITNESS AND NUTRITION WEBSITE SERVING

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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ATTACHMENT 3 (CONT'D)

OVER 1200 UNDUPLICATED VISITORS PER MONTH DURING THE SCHOOL YEAR.  
MAINTAINED THE BLOOD & GUTS HEALTH EDUCATION PROGRAM WHERE  
HANDS-ON EXHIBITS WERE LOANED TO COMMUNITY AGENCIES 125 TIMES PER  
YEAR REACHING OVER 18,000 PEOPLE.

## SCHOOL-BASED HEALTH CENTERS

-SPONSORED WASHINGTON ALLIANCE FOR SCHOOL HEALTH CARE'S ANNUAL  
CONFERENCE. CONTRIBUTED TO THE DEVELOPMENT OF THE TEEN CENTER IN  
BREMERTON.

ATTACHMENT 4FORM 990, PART III - PROGRAM SERVICE, LINE 4C

PREVENTION AND HEALTH PROMOTION: SUPPORTED FREE PERTUSSIS  
IMMUNIZATION CLINICS IN SNOHOMISH COUNTY. RESEARCH WAS CONDUCTED  
TO DEVELOP THE SILENCE WHOOPING COUGH CAMPAIGN IN THURSTON, KING,  
PIERCE, AND SPOKANE COUNTIES.

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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ATTACHMENT 5

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
EVALUATION & RESEARCH	72,690.	72,690.	
DIVERSITY	8,171.	8,171.	
SCHOLARSHIPS/AWARDS/GRANTS	31,645.	31,645.	
TOTALS	<u>112,506.</u>	<u>112,506.</u>	

ATTACHMENT 6

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
HARRIS CONNECT, LLC 1400-A CROSSWAYS BLVD. CHESAPEAKE, VA 23320	TELEFUNDRAISING	118,942.

ATTACHMENT 7

FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	(A) <u>TOTAL REVENUE</u>	(B) <u>RELATED OR EXEMPT REVENUE</u>	(C) <u>UNRELATED BUSINESS REV.</u>	(D) <u>EXCLUDED REVENUE</u>
INVESTMENT DIVIDENDS	508,429.			508,429.
INVESTMENT INTEREST	198.			198.
TOTALS	<u>508,627.</u>			<u>508,627.</u>

ATTACHMENT 8

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
GIFT OF HEALTH GALA	633,712.
FUN RUN	46,985.

Name of the organization GROUP HEALTH FOUNDATION	Employer identification number 91-1246278
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ATTACHMENT 8 (CONT'D)

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
TOTAL	<u>680,697.</u>

ATTACHMENT 9

FORM 990, PART VIII - FUNDRAISING EVENTS

<u>DESCRIPTION</u>	<u>GROSS INCOME</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
GIFT OF HEALTH GALA	78,875.	307,550.	-228,675.
FUN RUN	15,540.	40,665.	-25,125.
TOTALS	<u>94,415.</u>	<u>348,215.</u>	<u>-253,800.</u>

ATTACHMENT 10

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
MARKETABLE SECURITIES	18,325,503.
TOTALS	<u>18,325,503.</u>

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

GROUP HEALTH FOUNDATION

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047  
**2012**

**Open to Public  
Inspection**

Employer identification number  
91-1246278

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	-----					
(2)	-----					
(3)	-----					
(4)	-----					
(5)	-----					
(6)	-----					

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N, SUITE 100 SEATTLE, WA 98109 91-0511770	HOSPITAL	WA	501(C)(3)	3	N/A		X
(2)	AUXILIARY GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N, SUITE 100 SEATTLE, WA 98109 23-7438071	AUXILIARY	WA	501(C)(3)	11A	GHC		X
(3)	GROUP HEALTH NORTHWEST 320 WESTLAKE AVE N, SUITE 100 SEATTLE, WA 98109 91-1216856	INACTIVE	WA	501(C)(3)	11A	GHC		X
(4)	-----							
(5)	-----							
(6)	-----							
(7)	-----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Table with 11 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Predominant income; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations; (i) Code V-UBI amount; (j) General or managing partner?; (k) Percentage ownership.

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Table with 10 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Type of entity; (f) Share of total income; (g) Share of end-of-year assets; (h) Percentage ownership; (i) Section 512(b)(13) controlled entity?; (j) Yes No.

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

Table with 4 columns: (a) Name of other organization, (b) Transaction type (a-s), (c) Amount involved, (d) Method of determining amount involved. Rows include categories like Receipt of interest, Gift, grant, or capital contribution, Loans or loan guarantees, Dividends, etc., with sub-rows 1a through 1s.

Table with 4 columns: (a) Name of other organization, (b) Transaction type (a-s), (c) Amount involved, (d) Method of determining amount involved. Rows 1 through 6 are currently blank.

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
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**Part VII** **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

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