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OMB No. 1545-0047

Form **990**

Return of Organization Exempt From Income Tax

2010

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 2010 calendar year, or tax year beginning , 2010, and ending , 20

| | | | | |
|---|---|--|--|---|
| 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 | C 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 or town, state or country, and ZIP + 4 SEATTLE, WA 98109-5233 | | | D Employer identification number 91-1246278 |
| | F Name and address of principal officer: LAURA REHRMANN 320 WESTLAKE AVE N, SUITE 100 SEATTLE, WA 98109 | | | E Telephone number (206) 448-7330 |
| | I 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 | | | G Gross receipts \$ 10,398,764. |
| | J Website: ▶ WWW.GHC.ORG/FOUNDATION | | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | | | L Year of formation: 1983 M State of legal domicile: WA |

Part I Summary

| | | | | |
|------------------------------------|---|---|----------------------------------|---------------------|
| Activities & Governance | 1 | Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTH OF OUR COMMUNITIES BY PARTNERING WITH GROUP HEALTH COOPERATIVE, 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 | 22. |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 18. |
| | 5 | Total number of individuals employed in calendar year 2010 (Part V, line 2a) | 5 | 0. |
| | 6 | Total number of volunteers (estimate if necessary) | 6 | 224. |
| | 7a | Total gross 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. | |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 | Program service revenue (Part VIII, line 2g) | 2,945,890. | 2,693,144. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 0. | 0. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | -707,906. | 315,326. |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | -196,522. | -233,438. |
| | 12 | | 2,041,462. | 2,775,032. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 808,460. | 1,816,388. |
| | 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) | 161,675. | 196,453. |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 199,666. | | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 48,069. | 49,311. |
| 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 1,018,204. | 2,062,152. | |
| 19 | Revenue less expenses. Subtract line 18 from line 12 | 1,023,258. | 712,880. | |
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 | Total liabilities (Part X, line 26) | 16,133,559. | 19,082,027. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 1,682,202. | 2,283,526. |
| 22 | | 14,451,357. | 16,798,501. | |

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.

| | | | | | |
|-------------------------------|---|----------------------|------|---|--------------------------|
| Sign Here | ▶ Signature of officer | Date | | | |
| | ▶ Type or print name and title | | | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | PTIN |
| | Firm's name ▶ KPMG LLP | | | | P00560072 |
| | Firm's address ▶ 801 SECOND AVENUE, SUITE 900 SEATTLE, WA 98104 | | | EIN ▶ 13-5565207 | Phone no. ▶ 206-913-6517 |

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** (2010)

JSA
OE1065 3.000

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V 10-8.2

2YUJ

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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 exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 980,037. including grants of \$ 980,037.) (Revenue \$ 0.)

QUALITY OF CARE AND SERVICE: GRANTS TO ENHANCE THE DELIVERY HEALTH CARE BY PROMOTING CONSUMER/PROVIDER COLLABORATION AND FACILITATING INFORMED PATIENT DECISION MAKING.

4b (Code: _____) (Expenses \$ 616,457. including grants of \$ 616,457.) (Revenue \$ 0.)

CHILDREN'S HEALTH: GRANTS TO PROMOTE CHILDREN'S HEALTH AND FITNESS.

4c (Code: _____) (Expenses \$ 107,995. including grants of \$ 107,995.) (Revenue \$ 0.)

PREVENTION AND HEALTH PROMOTION: GRANTS TO PROMOTE HEALTH EDUCATION AND PREVENTIVE CARE.

4d Other program services. (Describe in Schedule O.) ATTACHMENT 2

(Expenses \$ 111,899. including grants of \$ 111,899.) (Revenue \$ 0.)

4e Total program service expenses **▶** 1,816,388.

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Part IV Checklist of Required Schedules

| | | Yes | No |
|---|------------|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | 1 | X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions) | 2 | X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | 3 | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | 4 | | X |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | 5 | | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | 6 | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | 7 | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | 8 | | X |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | 9 | | X |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> | 10 | X | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | 11a | | X |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | 11b | | X |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | 11c | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | 11d | X | |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | 11e | X | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | 11f | | X |
| 12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> | 12a | | X |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i> | 12b | X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | 13 | | X |
| 14 a Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i> | 14b | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> | 15 | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> | 16 | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> | 17 | X | |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | 18 | X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | 19 | | X |
| 20 a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> | 20a | | X |
| b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions) | 20b | | |

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Part IV Checklist of Required Schedules *(continued)*

| | | Yes | No |
|---|------------|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> | 21 | X | |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> | 22 | X | |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i> | 23 | X | |
| 24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i> | 24a | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | |
| 25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i> | 25a | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i> | 25b | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i> | 26 | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i> | 27 | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> | 28a | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> | 28b | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i> | 28c | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> | 29 | X | |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i> | 30 | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> | 31 | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i> | 32 | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i> | 33 | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i> | 34 | X | |
| 35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? | 35 | | X |
| a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i> | 36 | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i> | 37 | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O. | 38 | X | |

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Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

| | | | Yes | No |
|--|------------|----|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 1a | 27 | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 1b | 0 | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | | X | |
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a | 0 | | |
| b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> . (see instructions) | 2b | | | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | | | X |
| b If "Yes," has it filed a Form 990-T for this year? <i>If "No," provide an explanation in Schedule O</i> | 3b | | | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a | | | X |
| b If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | 4b | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | | X |
| c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | 5c | | | |
| 6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | 6a | | | X |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | | |
| a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | | X | |
| b If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | | X | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | | X |
| d If "Yes," indicate the number of Forms 8282 filed during the year | 7d | | | |
| e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | | X |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | | X |
| g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | | |
| h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | | | |
| 8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 8 | | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | | |
| a Did the organization make any taxable distributions under section 4966? | 9a | | | |
| b Did the organization make a distribution to a donor, donor advisor, or related person? | 9b | | | |
| 10 Section 501(c)(7) organizations. Enter: | | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | | |
| b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | | |
| 11 Section 501(c)(12) organizations. Enter: | | | | |
| a Gross income from members or shareholders | 11a | | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | | |
| b If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | | |
| a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | 13a | | | |
| b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | | | |
| c Enter the amount of reserves on hand | 13c | | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | | X |
| b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i> | 14b | | | |

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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

Section A. Governing Body and Management

| | | Yes | No |
|-----------|---|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year | | |
| 1b | Enter the number of voting members included in line 1a, above, who are independent | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | X |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Does the organization have members or stockholders? | X | |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | X | |
| 7b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | X | |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| 8a | a The governing body? | X | |
| 8b | b Each committee with authority to act on behalf of the governing body? | X | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | | X |

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

| | | Yes | No |
|------------|--|-----|----|
| 10a | Does the organization have local chapters, branches, or affiliates? | | X |
| 10b | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | | |
| 11a | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? | X | |
| 11b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a | Does the organization have a written conflict of interest policy? If "No," go to line 13 | X | |
| 12b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | X | |
| 12c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done | X | |
| 13 | Does the organization have a written whistleblower policy? | X | |
| 14 | Does the organization have a written document retention and destruction policy? | X | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| 15a | a The organization's CEO, Executive Director, or top management official | X | |
| 15b | b Other officers or key employees of the organization | | X |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.) | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | X |
| 16b | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | | |

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 (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: JAMIE LEE 320 WESTLAKE AVE. N, SUITE 100 SEATTLE, WA 98109-5233
206-448-4683

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 <small>(describe hours for related organizations in Schedule O)</small> | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization <small>(W-2/1099-MISC)</small> | (E) Reportable compensation from related organizations <small>(W-2/1099-MISC)</small> | (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 | | | |
| ATTACHMENT 3 | | | | | | | | | | |
| (1) SCOTT ARMSTRONG DIRECTOR/SECRETARY | 1.00 | X | | X | | | | 0. | 873,517. | 131,293. |
| (2) PETER DAVIS DIRECTOR/CHAIR | 1.00 | X | | X | | | | 0. | 0. | 0. |
| (3) STUART GROVER DIRECTOR/TREASURER | 1.00 | X | | X | | | | 0. | 0. | 0. |
| (4) JEFF LINDENBAUM, MD DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (5) JEFFREY SAKUMA DIRECTOR | 1.00 | X | | | | | | 0. | 120,969. | 21,672. |
| (6) PAUL SHERMAN, MD DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (7) SANDEEP SINHA DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (8) PEGGE TILL DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (9) JENNIFER WEST DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (10) JAMES WONG DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (11) RUTH BALLWEG DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (12) PHILLIP K. BUSSEY DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (13) SUSAN BYINGTON DIRECTOR/VICE CHAIR | 1.00 | X | | X | | | | 0. | 0. | 0. |
| (14) JILL OSTREM DIRECTOR | 1.00 | X | | | | | | 0. | 309,766. | 40,014. |
| (15) JANET WAINWRIGHT DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |
| (16) GEORGE H. WILLIAMS DIRECTOR | 1.00 | X | | | | | | 0. | 0. | 0. |

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

| (A) Name and title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (check all that apply) | | | | | | (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 | | | |
| (17) URIEL E. INIGUEZ DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. | |
| (18) TERRY KAKIDA DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. | |
| (19) ERIC LARSON, MD DIRECTOR | 1.00 | X | | | | | 0. | 289,821. | 46,997. | |
| (20) CHRISTOPHER MARR DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. | |
| (21) SHAHINA PIYARALI DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. | |
| (22) ROBIN SHULER, CPA DIRECTOR | 1.00 | X | | | | | 0. | 0. | 0. | |
| (23) LAURA REHRMANN PRESIDENT | 40.00 | | | X | | | 0. | 248,626. | 38,949. | |
| (24) | | | | | | | | | | |
| (25) | | | | | | | | | | |
| (26) | | | | | | | | | | |
| (27) | | | | | | | | | | |
| (28) | | | | | | | | | | |
| 1b Sub-total | | | | | | | 0. | 1,842,699. | 278,925. | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | 0. | 1,842,699. | 278,925. | |

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

| | | Yes | No |
|--|----------|-----|----|
| 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 3 | | X |
| 4 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> | 4 | X | |
| 5 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> | 5 | | 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.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--------------------------------|---------------------|
| IDC LTD 2500 PASEO VERDE PARKWAY HENDERSON, NV 89704 | TELE FUNDRAISING | 109,010. |
| | | |
| | | |
| | | |

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

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|--|---|----------------------|---------------|----------------------|--|---|---|
| Contributions, gifts, grants and other similar amounts | 1a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | 514,499. | | | | |
| | d Related organizations | 1d | 48,500. | | | | |
| | e Government grants (contributions) | 1e | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 2,130,145. | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | 53,310. | | | | |
| | h Total. Add lines 1a-1f | | | 2,693,144. | | | |
| Program Service Revenue | 2a _____ | Business Code | | | | | |
| | b _____ | | | | | | |
| | c _____ | | | | | | |
| | d _____ | | | | | | |
| | e _____ | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f | | | 0. | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | ATTACHMENT 4 | | 379,529. | | | 379,529. |
| | 4 Income from investment of tax-exempt bond proceeds | | | 0. | | | |
| | 5 Royalties | | | 0. | | | |
| | 6a Gross Rents | (i) Real | (ii) Personal | | | | |
| | b Less: rental expenses | | | | | | |
| | c Rental income or (loss) | | | | | | |
| | d Net rental income or (loss) | | | 0. | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | 7,257,340. | | | |
| | b Less: cost or other basis and sales expenses | | | 7,321,544. | | | |
| | c Gain or (loss) | | | -64,204. | | | |
| | d Net gain or (loss) | | | -64,203. | 0. | 0. | -64,203. |
| | 8a Gross income from fundraising events (not including \$ 514,499. of contributions reported on line 1c). See Part IV, line 18 | ATCH 5 | | 65,003. | | | |
| | b Less: direct expenses | | | 302,188. | | | |
| | c Net income or (loss) from fundraising events | ATCH 6 | | -237,185. | | 0. | -237,185. |
| | 9a Gross income from gaming activities. See Part IV, line 19 | ATCH 7 | | 3,747. | | | |
| b Less: direct expenses | | | | | | | |
| c Net income or (loss) from gaming activities | ATCH 7 | | 3,747. | 0. | 0. | 3,747. | |
| 10a Gross sales of inventory, less returns and allowances | | | | | | | |
| b Less: cost of goods sold | | | | | | | |
| c Net income or (loss) from sales of inventory | | | 0. | | | | |
| Miscellaneous Revenue | | | | Business Code | | | |
| 11a _____ | | | | | | | |
| b _____ | | | | | | | |
| c _____ | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | | 0. | | | | |
| 12 Total revenue. See instructions | | | 2,775,032. | 0. | 0. | 81,888. | |

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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) but are not required to complete columns (B), (C), and (D).

| | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | | | | |
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 | 1,769,953. | 1,769,953. | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 | 46,435. | 46,435. | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. 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 contributions (include section 401(k) and section 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 | 196,453. | | | 196,453. |
| f Investment management fees | 46,098. | 0. | 46,098. | 0. |
| g Other | 0. | | | |
| 12 Advertising and promotion | 0. | | | |
| 13 Office expenses | 517. | 0. | 0. | 517. |
| 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 | 2,696. | 0. | 0. | 2,696. |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.) | | | | |
| a ----- | | | | |
| b ----- | | | | |
| c ----- | | | | |
| d ----- | | | | |
| e ----- | | | | |
| f All other expenses ----- | | | | |
| 25 Total functional expenses. Add lines 1 through 24f | 2,062,152. | 1,816,388. | 46,098. | 199,666. |
| 26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

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Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year | |
|---|--|--------------------------|-----------|--------------------|-------------|
| Assets | 1 Cash - non-interest-bearing | | 1 | | |
| | 2 Savings and temporary cash investments | 697,132. | 2 | 518,018. | |
| | 3 Pledges and grants receivable, net | 20,520. | 3 | 4,517. | |
| | 4 Accounts receivable, net | 559,447. | 4 | 339,111. | |
| | 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | | 5 | |
| | 6 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) | | | 6 | |
| | 7 Notes and loans receivable, net | | | 7 | |
| | 8 Inventories for sale or use | | | 8 | |
| | 9 Prepaid expenses and deferred charges | 11,729. | 9 | | 0. |
| | 10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a | | | |
| | b Less: accumulated depreciation | 10b | | 10c | |
| | 11 Investments - publicly traded securities <i>ATCH 8</i> | 12,889,318. | 11 | | 15,915,147. |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | 1,955,413. | 15 | | 2,305,234. |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 16,133,559. | 16 | | 19,082,027. | |
| Liabilities | 17 Accounts payable and accrued expenses | | 17 | | |
| | 18 Grants payable | 442,225. | 18 | 1,059,225. | |
| | 19 Deferred revenue | | 19 | | |
| | 20 Tax-exempt bond liabilities | | 20 | | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | | |
| | 25 Other liabilities. Complete Part X of Schedule D | 1,239,977. | 25 | | 1,224,301. |
| | 26 Total liabilities. Add lines 17 through 25 | 1,682,202. | 26 | | 2,283,526. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | 2,630,356. | 27 | 4,076,689. | |
| | 28 Temporarily restricted net assets | 4,226,708. | 28 | 5,026,057. | |
| | 29 Permanently restricted net assets | 7,594,293. | 29 | 7,695,755. | |
| | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | | |
| | 33 Total net assets or fund balances | 14,451,357. | 33 | | 16,798,501. |
| 34 Total liabilities and net assets/fund balances | 16,133,559. | 34 | | 19,082,027. | |

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Part XI Reconciliation of Net Assets

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

| | | |
|---|----------|-------------|
| 1 Total revenue (must equal Part VIII, column (A), line 12) | 1 | 2,775,032. |
| 2 Total expenses (must equal Part IX, column (A), line 25) | 2 | 2,062,152. |
| 3 Revenue less expenses. Subtract line 2 from line 1 | 3 | 712,880. |
| 4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 14,451,357. |
| 5 Other changes in net assets or fund balances (explain in Schedule O) | 5 | 1,634,264. |
| 6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 16,798,501. |

Part XII Financial Statements and Reporting

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

| | | Yes | No |
|--|-----------|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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? | 2a | | X |
| b Were the organization's financial statements audited by an independent accountant? | 2b | X | |
| 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. | 2c | X | |
| d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | | |
| 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? | 3a | | X |
| 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. | 3b | | |

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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.

OMB No. 1545-0047

2010

Open to Public Inspection

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 - Other

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?

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

h Provide the following information about the supported organization(s).

| (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 support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| (A) | | | | | | | | | |
| (B) | | | | | | | | | |
| (C) | | | | | | | | | |
| (D) | | | | | | | | | |
| (E) | | | | | | | | | |
| Total | | | | | | | | | |

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

Schedule A (Form 990 or 990-EZ) 2010

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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

| Calendar year (or fiscal year beginning in) ▶ | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|---|------------|------------|------------|------------|------------|-------------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | 3,022,219. | 2,038,181. | 2,104,795. | 2,945,890. | 2,693,144. | 12,804,229. |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | 0. | 0. | 0. | 0. | 0. | 0. |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | 0. | 0. | 0. | 0. | 0. | 0. |
| 4 Total. Add lines 1 through 3 | 3,022,219. | 2,038,181. | 2,104,795. | 2,945,890. | 2,693,144. | 12,804,229. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f), | | | | | | 1,139,109. |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 11,665,120. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|--|------------|------------|------------|------------|------------|--------------------------|
| 7 Amounts from line 4 | 3,022,219. | 2,038,181. | 2,104,795. | 2,945,890. | 2,693,144. | 12,804,229. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 735,027. | 1,006,806. | 531,871. | 259,742. | 379,529. | 2,912,975. |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | 0. | 0. | 0. | 0. | 0. | 0. |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . ATTCH. 1 | 61,600. | 76,310. | -218,625. | -196,522. | -233,438. | -510,675. |
| 11 Total support. Add lines 7 through 10 | | | | | | 15,206,529. |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | 12 | | 0. |
| 13 First five years. 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 stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|-------------------------------------|
| 14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) | 14 | 76.71 % |
| 15 Public support percentage from 2009 Schedule A, Part II, line 14 | 15 | 76.91 % |
| 16a 33 1/3 % support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here . The organization qualifies as a publicly supported organization | | <input checked="" type="checkbox"/> |
| b 33 1/3 % support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here . The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 17a 10%-facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

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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) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 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 | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| 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 | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First five years. 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 stop here <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2009 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|---|
| 17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2009 Schedule A, Part III, line 17 | 18 | % |

- 19 a 33 1/3 % support tests - 2010.** 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 - 2009.** 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; or Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

| DESCRIPTION | 2006 | 2007 | 2008 | 2009 | 2010 | TOTAL |
|---------------------|----------------|----------------|------------------|------------------|------------------|------------------|
| GIFT OF HEALTH GALA | 61,600. | 70,242. | -217,259. | -200,824. | -237,185. | -523,426. |
| LIFE INSURANCE | 0. | 6,068. | -5,848. | 0. | 0. | 220. |
| RAFFLE TICKETS | 0. | 0. | 4,482. | 4,302. | 3,747. | 12,531. |
| TOTALS | <u>61,600.</u> | <u>76,310.</u> | <u>-218,625.</u> | <u>-196,522.</u> | <u>-233,438.</u> | <u>-510,675.</u> |

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Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2010

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, aggregate 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 aggregate 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 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).

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Name of organization **GROUP HEALTH FOUNDATION**

Employer identification number

91-1246278

Part I Contributors (see instructions)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|-----------------------------------|--------------------------------|--|
| 1 | ----- ----- ----- | \$ 337,880. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 2 | ----- ----- ----- | \$ 256,832. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 3 | ----- ----- ----- | \$ 236,675. | 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.) |

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SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2010

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, 11, or 12.**

▶ **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.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements.

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

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

Schedule D (Form 990) 2010

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V 10-8.2

2YUJ

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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):

- | | |
|---|---|
| <p>a <input type="checkbox"/> Public exhibition</p> <p>b <input type="checkbox"/> Scholarly research</p> <p>c <input type="checkbox"/> Preservation for future generations</p> | <p>d <input type="checkbox"/> Loan or exchange programs</p> <p>e <input type="checkbox"/> Other _____</p> |
|---|---|

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

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? **Yes** **No**

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? **Yes** **No**

b If "Yes," explain the arrangement in Part XI V and complete the following table:

| | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |

2a Did the organization include an amount on Form 990, Part X, line 21? **Yes** **No**

b If "Yes," explain the arrangement in Part XI V.

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

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 7,594,293. | 7,542,245. | 7,409,311. | | |
| b Contributions | 101,462. | 52,048. | 132,934. | | |
| c Net investment earnings, gains, and losses | 0. | 0. | 0. | | |
| d Grants or scholarships | 0. | 0. | 0. | | |
| e Other expenditures for facilities and programs | 0. | 0. | 0. | | |
| f Administrative expenses | 0. | 0. | 0. | | |
| g End of year balance | 7,695,755. | 7,594,293. | 7,542,245. | | |

2 Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶ 0.0000 %
- b** Permanent endowment ▶ 100.0000 %
- c** Term endowment ▶ 0.0000 %

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

| | Yes | No |
|---------------|--------------------------|--------------------------|
| 3a(i) | <input type="checkbox"/> | X |
| 3a(ii) | <input type="checkbox"/> | X |
| 3b | <input type="checkbox"/> | <input type="checkbox"/> |

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 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).) ▶

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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) ----- | | |
| Total. (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) | | |
| Total. (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 - BOA | 1,981,969. |
| (2) ANNUITY - UNREALIZED | 257,681. |
| (3) LIFE INSURANCE POLICIES-CSV | 56,115. |
| (4) TIME SHARE | 9,469. |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | 2,305,234. |

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

| 1. (a) Description of liability | (b) Amount | |
|---|------------|--|
| (1) Federal income taxes | | |
| (2) ANNUITIES PAYABLE | 810,149. | |
| (3) ANNUITIES RESERVE | 414,152. | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| (11) | | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 1,224,301. | |

2. FIN 48 (ASC 740) Footnote. In Part XIV, 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).

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Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

| | | | |
|-----------|--|-----------|------------|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | 1 | 2,775,032. |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 2,062,152. |
| 3 | Excess or (deficit) for the year. Subtract line 2 from line 1 | 3 | 712,880. |
| 4 | Net unrealized gains (losses) on investments | 4 | 1,634,264. |
| 5 | Donated services and use of facilities | 5 | |
| 6 | Investment expenses | 6 | |
| 7 | Prior period adjustments | 7 | |
| 8 | Other (Describe in Part XIV.) | 8 | |
| 9 | Total adjustments (net). Add lines 4 through 8 | 9 | 1,634,264. |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | 2,347,144. |

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

| | | | |
|----------|--|-----------|------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 6,510,311. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | 1,634,265. |
| b | Donated services and use of facilities | 2b | 2,699,637. |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIV.) | 2d | |
| e | Add lines 2a through 2d | 2e | 4,333,902. |
| 3 | Subtract line 2e from line 1 | 3 | 2,176,409. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1 : | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIV.) | 4b | 598,623. |
| c | Add lines 4a and 4b | 4c | 598,623. |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | 5 | 2,775,032. |

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

| | | | |
|----------|---|-----------|------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 5,063,977. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | 2,699,637. |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIV.) | 2d | 302,188. |
| e | Add lines 2a through 2d | 2e | 3,001,825. |
| 3 | Subtract line 2e from line 1 | 3 | 2,062,152. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1 : | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIV.) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | 5 | 2,062,152. |

Part XIV 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

PART V LINE 4

PROCEEDS FROM THE FOUNDATION'S ENDOWMENT FUNDS ARE USED TO FURTHER ITS MISSION OF CREATING BETTER HEALTH. DEPENDING ON INDIVIDUAL FUNDS' PURPOSE, 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 X

FIN48 FOOTNOTE

THE ADOPTION OF FIN 48 STANDARD HAD NO IMPACT ON GROUP HEALTH FOUNDATION'S FINANCIAL STATEMENTS.

PART XII, LINE 4B

OTHER 598,623

DONOR CONTRIBUTIONS & FOUNDATION CONTRACT FUNDING \$1,014,378

DONOR CONTRIBUTIONS - GHC/GHP FUNDED \$45,230

FOUNDATION INVESTMENT EARNINGS \$1,031,484

PROGRAM - RESTRICTED PROGRAM EXPENSES -\$1,032,770

DEVELOPMENT - FUNDRAISING SPECIAL EVENTS -\$258,973

DONOR CONTRIBUTIONS & FOUNDATION CONTRACT FUNDING \$101,462

SPECIAL EVENTS REVENUE (GALA) -\$302,188

Part XIV Supplemental Information (continued)

PART XIII, LINE 2D

SPECIAL EVENTS REVENUE (GALA) \$302,188

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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.

| | | (a) Event #1 | (b) Event #2 | (c) Other Events | (d) Total events |
|-----------------|---|-------------------------------------|---------------------------------|-----------------------------------|--|
| | | GALA <small>(event type)</small> | <small>(event type)</small> | <small>(total number)</small> | 0. <small>(add col. (a) through col. (c))</small> |
| Revenue | 1 Gross receipts | 579,502. | | | 579,502. |
| | 2 Less: Charitable contributions | 514,499. | | | 514,499. |
| | 3 Gross income (line 1 minus line 2) | 65,003. | | | 65,003. |
| Direct Expenses | 4 Cash prizes | 0. | | | 0. |
| | 5 Noncash prizes | 15,701. | | | 15,701. |
| | 6 Rent/facility costs | 0. | | | 0. |
| | 7 Food and beverages | 0. | | | 0. |
| | 8 Entertainment | 0. | | | 0. |
| | 9 Other direct expenses | 286,487. | | | 286,487. |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) | | | | (302,188.) |
| | 11 Net income summary. Combine line 3, column (d), and line 10 | | | | -237,185. |

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.

| | | (a) Bingo | (b) Pull tabs/Instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col. (a) through col. (c)) |
|--|--|---|---|---|--|
| | | 1 Gross revenue | | | |
| Direct Expenses | 2 Cash prizes | | | | |
| | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| | 6 Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | |
| 7 Direct expense summary. Add lines 2 through 5 in column (d) | | | | | () |
| 8 Net gaming income summary. Combine line 1, column d, and line 7 | | | | | |

9 Enter the state(s) in which the organization operates gaming activities: WA,

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," explain: _____

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- 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 | 13a | % |
| b An outside facility | 13b | % |

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).

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**SCHEDULE I
(Form 990)**

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

OMB No. 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990.

Name of the organization

GROUP HEALTH FOUNDATION

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. Check this box if no one recipient 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, STE 100, SEATTLE, WA 98109 | 91-0511770 | 501(C)(3) | 262,857. | | | | PROMOTE CHILDREN'S HEALTH |
| (2) | SPOKANE REGIONAL HEALTH DISTRICT 1101 W COLLEGE AVE, RM 360, SPOKANE, WA 99201 | 91-1527532 | 501(C)(3) | 55,000. | | | | PROMOTE CHILDREN'S HEALTH |
| (3) | WITHIN REACH 155 NE 100TH ST, STE 500, SEATTLE, WA 98125 | 91-1443685 | 501(C)(3) | 200,000. | | | | PROMOTE CHILDREN'S HEALTH |
| (4) | GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N, STE 100, SEATTLE, WA 98109 | 91-0511770 | 501(C)(3) | 56,717. | | | | SUPPORT EVALUATION AND RESEARCH |
| (5) | GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N, STE 100, SEATTLE, WA 98109 | 91-0511770 | 501(C)(3) | 107,995. | | | | PROMOTE HEALTH EDUCATION & PREVENTIVE CARE |
| (6) | GROUP HEALTH COOPERATIVE 320 WESTLAKE AVE N, STE 100, SEATTLE, WA 98109 | 91-0511770 | 501(C)(3) | 963,781. | | | | ENHANCE QUALITY CARE |
| (7) | PUBLIC HEALTH SEATTLE & KING COUNTY 401 5TH AVE. STE 1000 SEATTLE, WA 98104 | 91-6001327 | 501(C)(3) | 38,048. | | | | PROMOTE CHILDREN'S HEALTH |
| (8) | TACOMA PIERCE COUNTY HEALTH DEPARTMENT 3629 SOUTH 'D' ST, MS 421, TACOMA, WA 98418 | 91-1488160 | 501(C)(3) | 45,000. | | | | PROMOTE CHILDREN'S HEALTH |
| (9) | MARY BRIDGE CHILDREN'S FOUNDATION PO BOX 5296 TACOMA, WA 98415 | 94-3030039 | 501(C)(3) | 13,574. | | | | PROMOTE CHILDREN'S HEALTH |
| (10) | FHED-INC. 669 E 81ST STREET BROOKLYN, NY 11236 | 04-3728123 | 501(C)(3) | 11,645. | | | | ENHANCE QUALITY CARE |
| (11) | | | | | | | | |
| (12) | | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations 7

3 Enter total number of other organizations 0

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

Schedule I (Form 990) (2010)

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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 CARLA BUSH AWARD | 1. | 6,305. | | | |
| 2 CRISIS OUTREACH & RELIEF GRANTS | 25. | 20,714. | | | |
| 3 ETHEL TAYLOR SCHOLARSHIP | 4. | 7,571. | | | |
| 4 BERNICE COHEN SACHS SCHOLARSHIP | 3. | 7,562. | | | |
| 5 TEEN PREGNANCY SCHOLARSHIP | 1. | 750. | | | |
| 6 VERA MILLER SCHOLARSHIP | 4. | 3,533. | | | |
| 7 | | | | | |

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, 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 IMPACT COMMITTEE OF THE FOUNDATION BOARD OF DIRECTORS AT LEAST ANNUALLY. UNSPENT FUNDS AT THE

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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, and any other additional information.

GRANT'S CONCLUSION ARE 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. THESE EXPENSES ARE REPORTED QUARTERLY TO THE
 IMPACT COMMITTEE OF THE FOUNDATION BOARD OF DIRECTORS.

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**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

2010

**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"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <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 organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <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 from the organization or a related organization? . . .
- 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 |
|-----------|-----|----|
| 1a | | |
| 1b | | |
| 2 | | |
| 3 | | |
| 4a | X | |
| 4b | X | |
| 4c | | X |
| 5a | | X |
| 5b | | X |
| 6a | | X |
| 6b | | X |
| 7 | | X |
| 8 | | X |
| 9 | | |

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

Schedule J (Form 990) 2010

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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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

| (A) Name | (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 in prior Form 990 or Form 990-EZ |
|-------------------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|--|
| | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 SCOTT ARMSTRONG | (i) 0. | (ii) 0. | (iii) 0. | 0. | 0. | 0. | 0. |
| | (ii) 862,319. | 0. | 11,198. | 103,400. | 28,565. | 1,005,482. | 0. |
| 2 LAURA REHRMANN | (i) 0. | (ii) 0. | (iii) 0. | 0. | 0. | 0. | 0. |
| | (ii) 244,783. | 0. | 3,843. | 27,730. | 12,151. | 288,507. | 0. |
| 3 JILL OSTREM | (i) 0. | (ii) 0. | (iii) 0. | 0. | 0. | 0. | 0. |
| | (ii) 293,377. | 0. | 16,389. | 22,380. | 18,053. | 350,199. | 0. |
| 4 ERIC LARSON, MD | (i) 0. | (ii) 0. | (iii) 0. | 0. | 0. | 0. | 0. |
| | (ii) 288,308. | 0. | 1,513. | 28,212. | 19,748. | 337,781. | 0. |
| 5 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 6 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 7 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 8 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 9 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 10 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 11 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 12 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 13 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 14 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 15 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 16 | (i) ----- | (ii) ----- | (iii) ----- | ----- | ----- | ----- | ----- |
| | (ii) ----- | ----- | ----- | ----- | ----- | ----- | ----- |

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Part III Supplemental Information

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

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

PART I, 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

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Part III Supplemental Information

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

JILL OSTREM - DIRECTOR: DIRECTORS OF THE FOUNDATION DO NOT RECEIVE

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Part III Supplemental Information

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

COMPENSATION AND BENEFITS FROM THE FOUNDATION. JILL OSTREM, IS AN
EMPLOYEE OF GROUP HEALTH COOPERATIVE, AND RECEIVES HER COMPENSATION AND
BENEFITS 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
BENEFITS FROM GROUP HEALTH COOPERATIVE.

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**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2010

Open To Public
Inspection

Department of the Treasury
Internal Revenue Service

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

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 | X | | 652. | SELLING PRICE |
| 6 Cars and other vehicles | | | | |
| 7 Boats and planes | | | | |
| 8 Intellectual property | | | | |
| 9 Securities - Publicly traded | X | 1. | 10,095. | 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. | 3,495. | SELLING PRICE |
| 19 Food inventory | | | | |
| 20 Drugs and medical supplies | | | | |
| 21 Taxidermy | | | | |
| 22 Historical artifacts | | | | |
| 23 Scientific specimens | | | | |
| 24 Archeological artifacts | | | | |
| 25 Other ▶ (<u>ATCH 1</u>) | | 29. | 39,068. | |
| 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 21.

| | | Yes | No |
|---|------------|-----|----|
| 30 a During the year, did the organization receive by contribution any property reported in Part I, line 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? | 30a | | 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? | 31 | X | |
| 32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? | 32a | | 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) (2010)

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Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. 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, LINE 25,
COLUMN (B) OTHER NONCASH CONTRIBUTIONS TOTALING \$39,068 AND TOTAL NUMBER
OF CONTRIBUTIONS OF 29.

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Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. 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> |
|---------------------------|------------------|------------------------------------|------------------------------|----------------------------------|
| AIRLINE TICKETS | X | 4. | 3,230. | SELLING PRICE |
| HOTEL GIFT CERTIFICATES | X | 4. | 4,120. | SELLING PRICE |
| RESTAURANT GIFT CERTIFICA | X | 6. | 850. | SELLING PRICE |
| THEATRE CERTIFICATES | X | 8. | 932. | SELLING PRICE |
| FLORAL CERTIFICATES | X | 1. | 1,200. | SELLING PRICE |
| AUTOMOTIVE SERVICE CERTIF | X | 1. | 105. | SELLING PRICE |
| GALA PRINTING & ASSEMBLY | X | 1. | 22,501. | SELLING PRICE |
| TRANSPORTATION SERVICE | X | 1. | 400. | SELLING PRICE |
| DEVELOPMENT SERVICE | X | 1. | 2,500. | SELLING PRICE |
| CATERING SERVICE | X | 1. | 350. | SELLING PRICE |
| WINES (288 BOTTLES) | X | 1. | 2,880. | SELLING PRICE |
| TOTALS | | <u>29.</u> | <u>39,068.</u> | |

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SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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.

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. THE MEMBERSHIP OF THE GROUP
HEALTH FOUNDATION CONSISTS OF THOSE PERSONS WHO ARE FROM TIME TO TIME THE
DULY ELECTED, QUALIFIED AND ACTING TRUSTEES OF GROUP HEALTH COOPERATIVE
IN THEIR OFFICIAL CAPACITIES AS TRUSTEES. 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 MEMBERS (GROUP HEALTH'S TRUSTEES) CONTROL THE
ELECTION OF THE FOUNDATION'S BOARD OF DIRECTORS, BECAUSE THE ELECTION OF
THE FOUNDATION DIRECTORS IS SUBJECT TO CONFIRMATION BY THE MEMBERS.

DECISION OF THE GOVERNING BODY APPROVAL

PART VI, SECTION A, LINE 7B

THE FOLLOWING POWERS ARE RESERVED TO THE MEMBERS: 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

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SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF THE CORPORATION; 5)
AUTHORIZATION OF THE VOLUNTARY DISSOLUTION OF THE CORPORATION AND
ADOPTION OF ANY PLAN OF DISTRIBUTION.

FORM 990 REVIEW PROCESS

PART VI, SECTION B, LINE 11A

THE BOARD OF DIRECTORS HAS DELEGATED THE REVIEW OF THE FORM 990 TO THE
FINANCE & AUDIT COMMITTEE. THE ORGANIZATION'S DIRECTOR OF OPERATIONS
WORKS WITH THE GROUP HEALTH COOPERATIVE MANAGER OF STATUTORY AND TAX
REPORTING AND THE OUTSIDE ACCOUNTING FIRM ENGAGED TO REVIEW THE RETURN.
SUBSEQUENT TO ITS REVIEW, THE FINANCE & AUDIT COMMITTEE REPORTS BACK TO
THE BOARD REGARDING ITS OVERSIGHT OF THE FORM 990. A COPY OF THE FORM 990
IS PROVIDED TO THE BOARD OF DIRECTORS AND THE BOARD MEETS WITH THE GROUP
HEALTH COOPERATIVE MANAGER OF STATUTORY AND TAX REPORTING AND THE
ACCOUNTING FIRM HIRED TO REVIEW THE FORM 990 AT A REGULARLY SCHEDULED
BOARD MEETING. IF THE FINAL FORM 990 IS NOT AVAILABLE FOR REVIEW AT THE
TIME OF THE REGULARLY SCHEDULED BOARD MEETING, THE FINAL FORM 990 IS
PROVIDED TO THE ENTIRE VOTING BOARD WITH A LIST OF CHANGES FROM THE DRAFT
FORM 990 PREVIOUSLY REVIEWED, AND THE BOARD IS GIVEN AN OPPORTUNITY TO
ASK QUESTIONS ABOUT SUCH CHANGES BEFORE THE FINAL FORM 990 IS FILED.

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

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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.

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

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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.

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

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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 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

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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 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

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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 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.

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

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

PART XI, LINE 5

UNRESTRICTED - UNREALIZED GAIN/LOSS ON INVESTMENTS \$636,100

TEMPORARY RESTRICTED - UNREALIZED GAIN/LOSS ON INVESTMENTS \$794,284

ANNUITY RESERVE ADJUSTMENTS - UNREALIZED GAIN/LOSS \$203,880

TOTAL \$1,634,264

ATTACHMENT 1

FORM 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 2010, 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.

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ATTACHMENT 2

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

| <u>DESCRIPTION</u> | <u>GRANTS</u> | <u>EXPENSES</u> | <u>REVENUE</u> |
|----------------------------|-----------------|-----------------|----------------|
| EVALUATION AND RESEARCH | 56,717. | 56,717. | 0. |
| SCHOLARSHIPS/AWARDS/GRANTS | 46,436. | 46,436. | 0. |
| DIVERSITY | 8,746. | 8,746. | 0. |
| TOTALS | <u>111,899.</u> | <u>111,899.</u> | <u>0.</u> |

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

| NAME AND TITLE | HOURS DEVOTED FOR RELATED ORGANIZATION |
|---------------------------------------|--|
| SCOTT ARMSTRONG DIRECTOR/SECRETARY | 40.00 |
| PETER DAVIS DIRECTOR/CHAIR | 0.00 |
| STUART GROVER DIRECTOR/TREASURER | 0.00 |
| JEFF LINDENBAUM, MD DIRECTOR | 0.00 |
| JEFFREY SAKUMA DIRECTOR | 40.00 |
| PAUL SHERMAN, MD DIRECTOR | 0.00 |
| SANDEEP SINHA DIRECTOR | 0.00 |
| PEGGE TILL DIRECTOR | 0.00 |
| JENNIFER WEST DIRECTOR | 0.00 |
| JAMES WONG DIRECTOR | 0.00 |
| RUTH BALLWEG DIRECTOR | 0.00 |
| PHILLIP K. BUSSEY DIRECTOR | 0.00 |
| SUSAN BYINGTON DIRECTOR/VICE CHAIR | 0.00 |
| JILL OSTREM DIRECTOR | 40.00 |
| JANET WAINWRIGHT DIRECTOR | 0.00 |
| GEORGE H. WILLIAMS DIRECTOR | 0.00 |

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

ATTACHMENT 3 (CONT'D)

| | |
|-------------------|-------|
| URIEL E. INIGUEZ | 0.00 |
| DIRECTOR | |
| TERRY KAKIDA | 0.00 |
| DIRECTOR | |
| ERIC LARSON, MD | 40.00 |
| DIRECTOR | |
| CHRISTOPHER MARR | 0.00 |
| DIRECTOR | |
| SHAHINA PIYARALI | 0.00 |
| DIRECTOR | |
| ROBIN SHULER, CPA | 0.00 |
| DIRECTOR | |
| LAURA REHRMANN | 0.00 |
| PRESIDENT | |

ATTACHMENT 4

FORM 990, PART VIII - INVESTMENT INCOME

| DESCRIPTION | (A) TOTAL REVENUE | (B) RELATED OR EXEMPT REVENUE | (C) UNRELATED BUSINESS REV. | (D) EXCLUDED REVENUE |
|----------------------|-------------------------|-------------------------------------|-----------------------------------|----------------------------|
| INVESTMENT DIVIDENDS | 145,751. | | | 145,751. |
| INVESTMENT INTEREST | 233,778. | | | 233,778. |
| TOTALS | 379,529. | | | 379,529. |

ATTACHMENT 5

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

| DESCRIPTION | AMOUNT |
|---------------------|----------|
| GIFT OF HEALTH GALA | 514,499. |
| TOTAL | 514,499. |

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Schedule O (Form 990 or 990-EZ) 2010

Page **2**

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

ATTACHMENT 6

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 | 65,003. | 302,188. | -237,185. |
| TOTALS | <u>65,003.</u> | <u>302,188.</u> | <u>-237,185.</u> |

ATTACHMENT 7

FORM 990, PART VIII - GAMING ACTIVITIES

| <u>DESCRIPTION</u> | <u>GROSS INCOME</u> | <u>DIRECT EXPENSES</u> | <u>NET INCOME</u> |
|--------------------|---------------------|------------------------|-------------------|
| RAFFLE TICKETS | 3,747. | | 3,747. |
| TOTALS | <u>3,747.</u> | | <u>3,747.</u> |

ATTACHMENT 8

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

| <u>DESCRIPTION</u> | <u>BEGINNING BOOK VALUE</u> | <u>ENDING BOOK VALUE</u> |
|-----------------------|-----------------------------|--------------------------|
| MARKETABLE SECURITIES | 12,889,318. | 15,915,147. |
| TOTALS | <u>12,889,318.</u> | <u>15,915,147.</u> |

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**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **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.**

Name of the organization

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

| (a) Name, address, and EIN 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" on 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 91-0511770 320 WESTLAKE AVE N, SUITE 100 SEATTLE, WA 98109 | HOSPITAL | WA | 501 (C) (3) | 3 | N/A | | X |
| (2) AUXILIARY OF GROUP HEALTH COOPERATIVE 23-7438071 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109 | AUXILIARY | WA | 501 (C) (3) | 11A | GHC | | X |
| (3) GROUP HEALTH NORTHWEST 91-1216856 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109 | 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) 2010

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (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 | |
| (1) ----- | | | | | | | | | | | | |
| (2) ----- | | | | | | | | | | | | |
| (3) ----- | | | | | | | | | | | | |
| (4) ----- | | | | | | | | | | | | |
| (5) ----- | | | | | | | | | | | | |
| (6) ----- | | | | | | | | | | | | |
| (7) ----- | | | | | | | | | | | | |

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership |
|---|-------------------------|--|-------------------------------------|--|------------------------------|---------------------------------------|--------------------------------|
| (1) GROUP HEALTH OPTIONS, INC ----- 91-1467158 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109-5233 | INSURANCE | WA | N/A | C CORP | | | |
| (2) KPS HEALTH PLANS ----- 91-0540525 400 WARREN AVE BREMERTON, WA 98337 | INSURANCE | WA | N/A | C CORP | | | |
| (3) GROUP HEALTH SERVICES, INC ----- 91-1392222 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109-5233 | INACTIVE | WA | N/A | C CORP | | | |
| (4) GROUP HEALTH OF WASHINGTON ----- 91-1314907 320 WESTLAKE AVE N, STE 100 SEATTLE, WA 98109-5233 | INACTIVE | WA | N/A | C CORP | | | |
| (5) ----- | | | | | | | |
| (6) ----- | | | | | | | |
| (7) ----- | | | | | | | |

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

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

| | | Yes | No |
|--|-----------|-----|----|
| 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | | |
| a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity | 1a | | X |
| b Gift, grant, or capital contribution to other organization(s) | 1b | X | |
| c Gift, grant, or capital contribution from other organization(s) | 1c | X | |
| d Loans or loan guarantees to or for other organization(s) | 1d | | X |
| e Loans or loan guarantees by other organization(s) | 1e | | X |
| f Sale of assets to other organization(s) | 1f | | X |
| g Purchase of assets from other organization(s) | 1g | | X |
| h Exchange of assets | 1h | | X |
| i Lease of facilities, equipment, or other assets to other organization(s) | 1i | | X |
| j Lease of facilities, equipment, or other assets from other organization(s) | 1j | | X |
| k Performance of services or membership or fundraising solicitations for other organization(s) | 1k | | X |
| l Performance of services or membership or fundraising solicitations by other organization(s) | 1l | | X |
| m Sharing of facilities, equipment, mailing lists, or other assets | 1m | | X |
| n Sharing of paid employees | 1n | | X |
| o Reimbursement paid to other organization for expenses | 1o | | X |
| p Reimbursement paid by other organization for expenses | 1p | | X |
| q Other transfer of cash or property to other organization(s) | 1q | | X |
| r Other transfer of cash or property from other organization(s) | 1r | | X |

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| | (a) Name of other organization | (b) Transaction type (a-r) | (c) Amount involved | (d) Method of determining amount involved |
|-----|-----------------------------------|-------------------------------|------------------------|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |

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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) Are all partners section 501(c)(3) organizations? | | (e) Share of end-of-year assets | (f) Disproportionate allocations? | | (g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (h) General or managing partner? | |
|---|-------------------------|--|---|----|--|---|----|---|---|----|
| | | | Yes | No | | Yes | No | | Yes | No |
| (1) ----- | | | | | | | | | | |
| (2) ----- | | | | | | | | | | |
| (3) ----- | | | | | | | | | | |
| (4) ----- | | | | | | | | | | |
| (5) ----- | | | | | | | | | | |
| (6) ----- | | | | | | | | | | |
| (7) ----- | | | | | | | | | | |
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| (16) ----- | | | | | | | | | | |

Part VII **Supplemental Information**

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