

A Leading Innovator

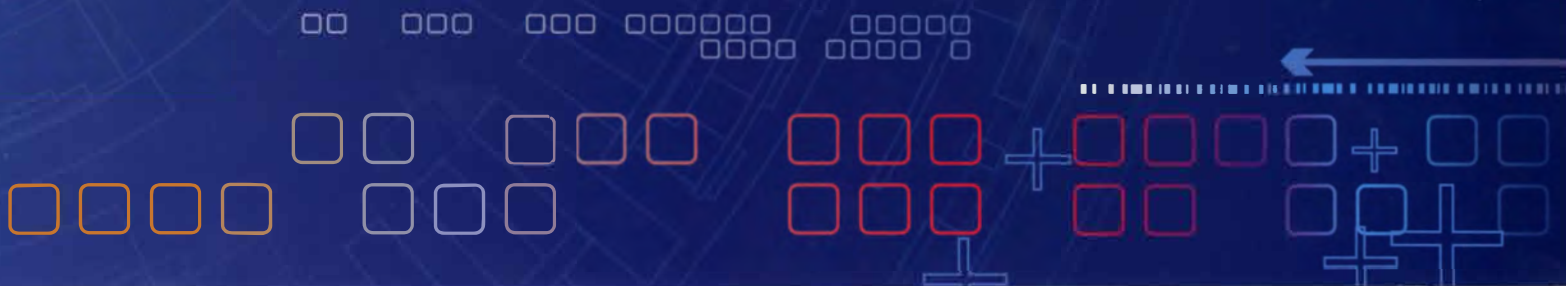
Enabling Healthy Communities



FLORIDA

Foundation

2012 Corporate Social Responsibility Report





FLORIDA

Foundation

BLUE CROSS AND BLUE SHIELD OF FLORIDA FOUNDATION

Mission

The mission of the Blue Cross and Blue Shield of Florida Foundation is to improve the health and well-being of the people of Florida and their communities.

Focus Areas

The Foundation has an expanding commitment to corporate social responsibility through five focus areas:

Access to Health Care – Improving Access to Health Care (IMPACT) Grants to address health care disparities and increase access to quality, health-related services for the uninsured.

Consumer Health – Embrace a Healthy Florida initiative to address the causes and prevention of childhood obesity.


Quality and Safety of Patient Care – Developing a diverse, well-trained, frontline-care workforce to meet the health care needs of Florida.

Quality of Life – To improve: human and social services; diversity and community development; education and literacy; arts and culture; and disaster relief and preparedness.

Health Care System – Recognize excellence and innovation in community health through the annual Sapphire Awards.



Contents

- 2 2012 Corporate Social Responsibility Message 
- 4 Board of Directors
- 8 Access to Health Care – IMPACT Program
- 10 Consumer Health – Embrace a Healthy Florida
- 12 Quality and Safety of Patient Care – Nursing Initiatives
- 14 Quality of Life – Community Initiatives
- 16 Health Care System – Sapphire Awards
- 18 Grants Awarded in 2012
- 25 2012 Financial Statements
- 37 Special Foundation Announcement



2012 Corporate Social Responsibility Message

CORPORATE SOCIAL RESPONSIBILITY AT

FLORIDA BLUE is driven by our mission, vision and values. We are committed to excellence and impactful outcomes in our corporate citizenship, business practices and workplace. We contribute positively to our communities in a culturally, socially and environmentally responsible manner. We run our business with integrity and the highest ethical standards. We live our values every day resulting in outstanding customer and employee experiences.

The Blue Cross and Blue Shield of Florida (BCBSF) Foundation's mission is an integral part of the work we do in Corporate Social Responsibility (CSR) and throughout Florida Blue. We are committed to excellence in our CSR, business practices, workplace and the BCBSF Foundation. We believe they all work in concert together. We contribute positively to our communities in a culturally, socially and environmentally responsible manner. We respect our Florida communities and the people who call Florida home.

We have been contributing in a variety of ways to the communities of Florida for almost 70 years. The BCBSF Foundation and Florida Blue believe it's important to give back to the communities where we live and work. This commitment is such a central part of our philosophy that we've made it the cornerstone of our company's and Foundation's vision: To be an innovative company that enables healthy communities.

Our corporate social responsibility is built around this vision and is evident in the good work of our Foundation and the investments we make in programs across Florida. Through the Foundation, we are carrying out the company's mission through strategic grant making and partnerships with nearly 500 nonprofits. These grants touched the people of Florida in every Florida county. In 2012, more than \$10 million was invested in Florida communities.

We also believe it is our responsibility to connect with our communities. The Foundation is a proactive grant maker, often at the cutting edge of emerging trends in health, health care changes and promising solutions at the community level. As Florida's health care needs and trends continue to evolve, the Foundation will remain committed to addressing the health and well-being of the people of Florida and their communities and will continue to partner with nonprofits focused on assisting uninsured and underserved people in Florida.

by making grants to community organizations providing accessible health care. These organizations help provide the building blocks for healthy communities by offering vision screenings, preventative care, women's health services, dental care, specialized treatment for children and teens, mental health, obesity, wellness and more.

Our responsibility doesn't stop there, however. As a company and a Foundation, it's our goal to impact and improve the whole health of our neighbors. To help make our communities stronger, the Foundation also partners with nonprofit community organizations to promote education, the arts, social services and diversity in Florida communities.

This report details our five focus areas, and shares information and select stories about those served by the nonprofits that received financial assistance through our programs. The Foundation's five focus areas are improving: Access to Health Care, Consumer Health, Quality and Safety of Patient Care, Quality of Life, and Health Care System.

The Foundation is proud of the work we accomplished in 2012 with the help of our nonprofit partners. Each year brings new opportunities and possibilities to develop new, innovative ways to build stronger, healthier communities.

We also want to give a special thank you to the 2012 Blue Cross and Blue Shield of Florida Foundation's Board of Directors for their leadership, support and commitment to continue our work as a **Leading Innovator Enabling Healthy Communities**.



Susan B. Towler

SUSAN B. TOWLER
VICE PRESIDENT
Blue Cross and Blue Shield
of Florida Foundation, Inc.



Cyrus M. Jollivette

CYRUS M. JOLLIVETTE
CHAIR - BOARD OF DIRECTORS
Blue Cross and Blue Shield
of Florida Foundation, Inc.



Blue Cross and Blue Shield



Back row (L-R): Cyrus M. Jollivette, Darnell Smith, Gary M. Healy, Joyce A. Kramzer, Mark S. McGowan **Front row (L-R):** Penny S. Shaffer, V. Sheffield Kenyon, Cheryl O. Mose, Charles S. Joseph (Not pictured: Michael Cascone, Jr., Robert I. Lufano, M.D., Maria E. Moutinho, M.D., Deirdre M. MacCarthy)

of Florida Foundation, Inc.

Board of Directors

Cyrus M. Jollivette, *Chair*

Charles S. Joseph, *Vice Chair*

Mark S. McGowan, *Secretary*

Cheryl O. Mose, *Treasurer*

Michael Cascone, Jr.

Gary M. Healy

V. Sheffield Kenyon

Joyce A. Kramzer

Robert I. Lufrano, M.D.

Maria E. Moutinho, M.D.

Penny S. Shaffer

Darnell Smith

Deirdre M. MacCarthy,
Assistant Secretary



Back row (L-R): Sharon M. Hackney, Jared T. Skok, Susan F. Wildes, Jay Farley, Velma Monteiro-Tribble, Barbara S. Riggan **Front row (L-R):** Sarah Hande, Lisa K. Mathews, Kim W. Read, Karla Ebio (Not pictured: René Bridges)

Staff

Susan B. Towler
Vice President

Kim W. Read
Director - Finance and Operations

Velma Monteiro-Tribble
Director - Grants and Programs

Sharon M. Hackney
Senior Program Manager

Jared T. Skok
Senior Program Manager

Susan F. Wildes
Senior Program Manager

Sarah Hande
Sponsorship and Events Coordinator

Karla Ebio
Community Relations Business Analyst

Lisa K. Mathews
Senior Accountant

Barbara S. Riggan
Foundation Coordinator

Jay Farley
Executive Assistant

René Bridges
Administrative Assistant







FLORIDA

Foundation



Innovation in Our Five Focus Areas

Access to Health Care

IMPACT PROGRAM

Through the **IMPROVING ACCESS TO HEALTH CARE (IMPACT) PROGRAM**,

funds are awarded to nonprofit organizations, government agencies and public institutions across the state to increase access to quality, health-related services in Florida, particularly the uninsured and underserved population. In 2012, more than \$3 million was invested in Florida communities to support a variety of programs aimed at: increasing access to primary, dental, vision and secondary or specialty care; mental health services and counseling; case management health navigation; promoting outreach, awareness and education; and advocating for sound public policy. Grants are strategically awarded to diverse, philanthropic, community-based solutions that: incorporate new, innovative and evidence-based approaches; build program and/or organizational capacity; are forward-focused and cognizant of a changing health care system; address health care disparities in a culturally-competent manner; promote collaboration; and leverage financial, human and other resources to maximize measurable impact.

Free dental services brighten family's outlook

At the age of five, Daniel's* numerous toothaches were so extreme his family had to take him to the emergency department at a nearby hospital. They didn't have the funds to take him to a private dental office. Fortunately for the family, Florida Hospital Foundation's Mobile Dental Unit made a visit to their community of Bithlo, a highly impoverished area in Orange County.

Upon his initial visit, Daniel was diagnosed with multiple problematic teeth that were in need of more than just a simple filling. The mobile unit staff and the Dental Care Access Foundation, through a grant from the BCBSF Foundation, worked hand in hand to get Daniel all of his dental work donated. Today he is pain-free and cavity-free. In addition, his other family members received services to avoid similar issues.

"I'm so happy that my whole family is going to have healthy teeth for the first time in many years," said Daniel's mother.

"I'm so happy that my whole family is going to have healthy teeth for the first time in many years."

– Grateful mother of five-year old boy



*Name changed at family's request.

The Arevalos received critical medical care.

Family is thankful for medical assistance

Ronaldo and Maria Arevalo needed medical care but without insurance, the cost was prohibitive. Thankfully their church referred them to The Way Free Medical Clinic in Clay County and they've been patients there for four years.

"It was very difficult for us to get medical attention anywhere else," said Ronaldo. "The cost would be unaffordable."

The Arevalos now have two children, and The Way was an integral part of each pregnancy. When the older child developed histiocytosis, The Way connected the couple with Nemours for treatment. Histiocytosis disorders are a group of diseases that occur when there is an over-production of white blood cells known as histiocytes that can lead to organ damage and tumor formation.

"My daughter fell sick with a type of cancer and she needed chemotherapy. The Way supported us," said Maria.

Their daughter is cancer-free now at the age of four. The younger child has rheumatoid arthritis, and The Way is identifying specialty care for her also.

Jeannie Gallina, founder of The Way, emphasized how grateful their clients are. "You know you've had an impact on these people's lives and that they appreciate it so much."

The Way Free Medical Clinic is one of the recipients of a grant from the Blue Cross and Blue Shield of Florida Foundation's IMPACT health care program. The grant provided funds for two part-time health coordinators/navigators and additional primary care and OB/GYN services for uninsured women and their children.

Consumer Health

EMBRACE A HEALTHY FLORIDA

The **EMBRACE A HEALTHY FLORIDA** initiative is designed to address the causes and prevention of childhood obesity. Started in 2008, the initiative is an evidence-based, Florida-based, multi-sector, community initiative that uses community engagement to make long-term, positive changes in childhood and family health. Embrace a Healthy Florida works to address a variety of factors across the state's different communities to impact children's health. Six targeted communities – Hialeah and Opa-locka in Miami-Dade County; Jacksonville; Parramore in Orlando/Orange County; Sulphur Springs in Hillsborough County; and Tallahassee – are actively engaged and are building coalitions and partnerships to make positive changes in healthy eating and active living in their communities. In addition, 12 promising practices and applied research grants were funded across Florida to address evidence-based models in policy, nutrition, education and awareness as they relate to childhood wellness. During 2012, 72 grants totaling more than \$2.7 million were made.

Teen learns benefit of eating healthy

Malyneda's family rarely cooked meals at home, relying instead on fast food dinners or ready-to-eat meals. That all changed when she joined Opa-locka's Youth L.E.A.D., a program that educates and empowers under-served youth to adopt healthier diets while increasing access to healthy foods in their communities.

Youth L.E.A.D. offers a 12-week after-school training class for youth, followed by a four-month paid apprenticeship for selected participants who work at local farmers markets and community gardens. The after-school training includes food demonstrations, field trips to farmers markets and supermarkets, guest speakers, youth-made short films on nutrition, and hands-on activities.

"When my mother came to the Youth L.E.A.D. parent meeting, she learned a lot," said Malyneda. "She's been cooking every day now because she wants us to be healthier."

Youth L.E.A.D. received one of 10 mini-grants for this program from the Foundation through the War on Poverty-Florida, the Lead Organization for the Embrace a Healthy Florida initiative in Opa-locka.

"When my mother came to the Youth L.E.A.D. parent meeting, she learned a lot."

- Malyneda





Centro Mater Walker Park children visit the fruit and vegetable garden.

What's for lunch today?

It's not unusual to see six-year-olds impatiently waiting to go outside during the school day. But these children aren't waiting for a turn on the swings.

Thanks to a grant from the Blue Cross and Blue Shield of Florida Foundation to promote healthy eating habits, the children of Centro Mater Walker Park in Hialeah were able to create a fruit and vegetable garden. The kids waiting to go outside are anxious to visit their garden where they can discover if any of the food they've planted is ready to be picked and eaten.

From the beginning of the project, the children have been involved in planting, watering, harvesting and, most importantly, eating the vegetables. Over the course of the school year, the students established good relationships with

fruits and vegetables and began to develop healthy eating habits.

One student in particular made tremendous strides in her eating habits. At the beginning of the school year, she was four years old and ate only pureed foods. After seeing her classmates' excitement about the garden, she began eating solid foods, including fruits and vegetables.

The positive benefits have extended to the children's families as well. The school held a Harvest Festival that exposed families to a variety of fruits and vegetables they might not otherwise be familiar with. For example, one



family was able to try spinach for the first time.

The Foundation provided 29 grants that included 81 school and community gardens in six communities as part of the Embrace a Healthy Florida initiative. Nearly 2,500 children and their families experienced gardening and learned how food is grown, an essential part of healthy eating and active living.

Quality and Safety of Patient Care

NURSING INITIATIVES



The Foundation knows that a well-trained and readily available nursing workforce is crucial to improving health outcomes for patients. It's our mission to develop a diverse, well-trained, frontline-care workforce to meet the health care needs of Florida. That's why the Foundation has partnered with The Robert Wood Johnson Foundation and the Florida Center for Nursing to study ways to enhance nurse education and advance the nursing profession in Florida to improve the **QUALITY AND SAFETY OF PATIENT CARE.**

Since 2004, Florida Blue and the BCBSF Foundation have worked with nurse educators, nursing associations and the Florida Center for Nursing to improve health outcomes and increase the number of nurses caring for the people of Florida.

Since the establishment of Generation RNSM, Florida Blue has made philanthropic investments of \$20 million to develop a diverse, well-trained nurse workforce to meet the health care needs of Floridians.

The public-private partnership is nationally recognized for excellence in its work to increase educational capacity, workforce diversity and continuing education and professional development of nurses. The philanthropic investment by Florida Blue to reinforce frontline care has resulted in:

- **A total of 2,735 nursing and allied health degree-seeking students benefitting from Florida Blue-funded scholarships**
- **The BCBSF Center for Health Care Access, Patient Safety and Quality Outcomes at the University of Florida to conduct research in nursing best practices**
- **Support of MagnetTM-designated facilities, as recognized by the American Nurses Credentialing Center, by highlighting the designation on Florida Blue provider lists available to members online**





Simulation Technology

The Foundation, in partnership with the Florida Center for Nursing (FCN), determined that patient simulation technology should be explored as a possible way to increase student capacity in clinical training. In 2009, the Foundation was awarded a \$250,000 grant from the national initiative Partners Investing in Nursing's Future (PIN), a joint program of The Robert Wood Johnson Foundation and the Northwest Health Foundation. The grant was matched by Florida Blue. The \$500,000 research project called, "Promoting the Use of Simulation Technology in Florida Nurse Education," found that nurse educational institutions and clinical sites have opportunities to collaborate on several fronts to integrate simulation into nurse training throughout the state. The study revealed that while simulation is "permitted to be used for up to 25 percent of direct clinical practice, the percent[age] of simulation substituted for clinical hours averaged 5.1 percent across pre-licensure programs."¹

Florida Action Coalition

In October 2010, the Institute of Medicine (IOM) published a landmark report – The Future of Nursing: Leading Change, Advancing Health – that outlined ways nursing can contribute to an improved American health care delivery system. The report prompted a national collaboration of The Robert Wood Johnson Foundation and AARP, named the Future of Nursing: Campaign for Action, to implement the recommendations made in the report. As a result, 36 regional action coalitions have been formed, among them the Florida Action Coalition (FL-AC). The Foundation was selected to co-lead the coalition with the FCN.

The FL-AC has invited nursing and non-nurse state leaders to participate in the coalition, including elected officials, health industry executives, physicians and other health professionals, educators, philanthropists, AARP Florida and leaders in the business community. The FL-AC has prioritized the IOM recommendations and adapted them to meet Florida's needs.

2012 Funding

The Foundation's work in this arena continued in 2012 with a \$250,000 grant to FCN to support the organization's vision to be the definitive source for information, research and strategies addressing the nursing workforce needs in Florida. This investment helps provide the internal infrastructure needed to collect and analyze data and produce reports on workforce nursing issues.

The Foundation also invested \$100,000 with the Florida Healthcare Simulation Alliance to support statewide promotion of the organization through the development and implementation of a marketing plan and promotional materials as well as recruitment of the necessary leadership.

A \$15,000 grant was made to FCN to fund a consultant who will develop a five-year sustainability plan to help the organization become self-sufficient and broaden its funding sources.

¹Quantitative Research Findings for the FCN Simulation Project, Florida Center for Nursing

Quality of Life

COMMUNITY INITIATIVES

Staying healthy

Being healthy was important to 58-year-old Solius Julesaint, but he was unclear about the steps he needed to take to ensure he was eating well and getting the proper exercise. Then a friend told him about a Staying Healthy class offered by Emergency Care Help Organization (ECHO) in Brandon.

Solius, whose primary languages are Creole and French, knew that this class would be a perfect fit for him since the instructor was trained in English for Speakers of Other Languages (ESOL). Although Solius had taken ESOL classes at MacDill Air Force Base, he felt more comfortable with an instructor who would be able to assist him with language issues if necessary.

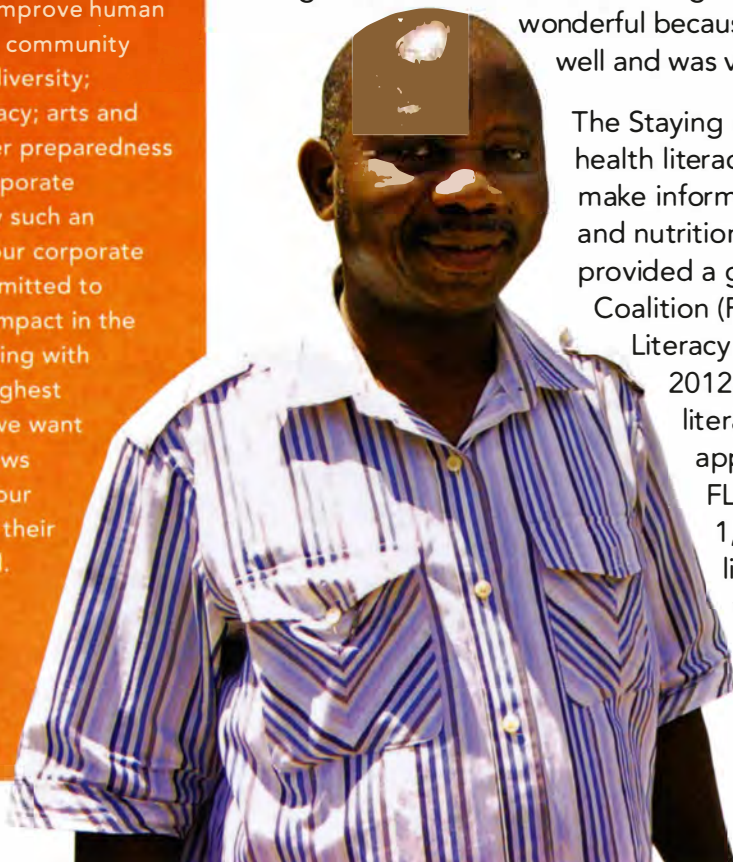
"I wanted to learn more about staying healthy to be useful and helpful to others and to myself," said Solius. "With the class, I changed my food habits and I became more active. Now I feel healthier and I've lost weight."

Solius added, "This class is so important that I think everybody should take it. I liked the Staying Healthy book - it helped me with vocabulary and gave me a better understanding of my health. The teacher was really wonderful because she explained everything very well and was very patient."

The Staying Healthy program is a six-week health literacy class designed to help students make informed decisions about their health and nutrition. The BCBSF Foundation provided a grant to the Florida Literacy Coalition (FLC) to fund the Florida Health Literacy Grant Initiative. In the spring of 2012, 18 mini-grants were awarded to literacy organizations in a competitive application process managed by the FLC. As of Oct. 31, 2012, nearly 1,500 people participated in health literacy instruction during the fourth year grant cycle. In four years, the initiative has served more than 7,200 students located across Florida.



believe that healthy communities make healthy people. In fact, we devote one of our five focus areas to **IMPROVING QUALITY OF LIFE** for this reason. The Foundation partners in communities to improve human and social services; community development and diversity; education and literacy; arts and culture; and disaster preparedness and relief. With corporate social responsibility such an engrained part of our corporate values, we are committed to making a positive impact in the community. Operating with integrity and the highest ethical standards, we want to open new windows of opportunity for our neighbors to reach their full health potential.





From foster care to college

Shamina was an energetic 17-year-old student living in foster care when she became involved with the JA Girl\$ program.

During a six-week class at the Jacksonville Youth Sanctuary, Shamina and her classmates learned how to manage money, pay bills on time, and prepare for job interviews from Siobhan Monroe, a JA Girl\$ volunteer from Delta Air Lines.

"We would role play and pretend that we were in a real job interview," said Shamina. "I learned how to conduct myself to a potential employer."

During the class, the volunteer took the students to the airport to learn about different careers. During their tour, the students were able to stand on the tarmac to see an airplane and help check passenger tickets.

"It was the best experience," said Shamina. "It felt like I was doing a real job."

JA Girl\$ not only helped Shamina land her first job at a local restaurant, it helped her adjust to living on her own. "I applied the skills I learned in JA Girl\$, and I was hired during my first interview," said Shamina. "I used my first paycheck to go thrift store shopping to purchase new furniture. I put most of my second paycheck into savings because I knew I would need money for my books at school."

Now 19 years old, Shamina is currently a student at Florida State College at Jacksonville and works in a local bakery. "Young girls starting out really need the

JA Girl\$ program because you learn so many new things, from how to save money to writing a resume. I don't know where I'd be without JA Girl\$!"

In 2012, a \$25,000 grant was made to Junior Achievement of North Florida for JA Girl\$, the gender specific financial literacy entrepreneurship initiative.

" It [checking airline passenger tickets] was the best experience. It felt like I was doing a real job. "
– Shamina

Health Care System

SAPPHIRE AWARDS

For more than a decade, the Blue Cross and Blue Shield of Florida (BCBSF) Foundation has been committed to improving the health and well-being of the people of Florida and their communities through strategic grantmaking to nonprofits in all 67 Florida counties.

SAPPHIRE AWARDS

embody our desire to recognize excellence and innovation among organizations, programs and individuals that have made a significant, positive impact on health-related outcomes for Florida's at-risk people and communities.

Sapphire Awards honor outstanding individuals, programs and nonprofit organizations in community health care, or health care related fields, whose work is distinguished by leadership, innovation and achievements in community health.

Sapphire Awards Honorees in 2012 all entailed thoughtful, creative and innovative leadership. They are committed to using all resources possible to create improvements in the daily lives of the people of Florida who are uninsured and underserved in health care.

2012 Sapphire Awards Honorees Individual Category

Winner (\$30,000)

Charles Mahan, M.D., is dean and professor emeritus in the College of Public Health at the University of South Florida and The Lawton and Rhea Chiles Center for Healthy Mothers and Babies. His colleagues consider him to be the champion on maternal and child health in Florida.

Honorable Mention (\$10,000 each)

Josephine Mercado is founder and executive director of Hispanic Health Initiatives (HHI), Inc. HHI educates and connects medically underserved families in Central Florida with health services by disseminating accurate information in a culturally sensitive and linguistically competent manner.

Richard Moss is administrative volunteer at the Citrus County Family Resource Center. He is responsible for grant writing, program development and administrative work. Moss also created the Citrus County AIDS Coalition.

Program Category

Winner (\$100,000)

Teen Xpress provides free medical and mental health care services to adolescents and teens at four public schools and a YMCA in two of Orlando's most impoverished communities - Parramore and Pine Hills.

Honorable Mention (\$30,000)

Vision is Priceless Council Cared Vision Program provides eye care to adults and children who have been identified as having a vision problem or signs of eye disease and do not have access to quality health care. Patients who qualify may receive all or part of these services at a reduced cost or free. This is the only program of its kind in Northeast Florida.

Organization Category

Winner (\$100,000)

Primary Care Access Network (PCAN) is a coalition of 22 public, private, faith-based and government agencies that operate a full range of primary and secondary care services for over 100,000 uninsured residents of Orange County.

Honorable Mention

Life Management Center of Northwest Florida provides mental, behavioral, family counseling and substance abuse services to low-income, uninsured and underinsured children and adults in Bay, Calhoun, Gulf, Holmes, Jackson and Washington counties **(\$30,000)**.

PACE Center for Girls provides girls at-risk for becoming involved in the juvenile justice system an opportunity to improve their life through education, counseling, training and advocacy **(\$50,000)**.



Top: Family that used the adoption services of Life Management Center of Northwest Florida.

Above: Teen Xpress mobile unit -- Winner of Program Category.

Left: Charles Mahan, M.D., accepts Sapphire Awards glass sculpture trophy from Patrick J. Geraghty (right), Florida Blue Chairman and CEO.



FLORIDA

Foundation

During 2012, the
Foundation awarded
more than \$10.9 million
in new grants to fund
nonprofit organizations
across Florida.

Grants Awarded in 2012

**Improving Access to Health Care –
IMPACT Program**

Alachua County Health Department
Alachua County

Catholic Charities of Central Florida
Orange County

Children's Volunteer Health Network
Walton County

Community AIDS Resource
Miami-Dade County

Franklin County Health Department
Franklin County

Health And Hope Clinic
Escambia County

Manatee County Rural Health Services
Manatee County

Mental Health America of
Northeast Florida
Duval County

New Horizons Of The Treasure Coast
St. Lucie County

Speech and Hearing Center
Duval County

The Sundari Foundation
Miami-Dade County

Universal Heritage Institute
Miami-Dade County

Vision is Priceless Council
Duval County

Volunteers in Medicine Clinic
Martin County

We Care Jacksonville
Duval County



**Improving Consumer Health –
Embrace a Healthy Florida**

4-H Foundation, Fiscal Agent for
Leon County Extension, Institute
of Food and Agricultural Sciences
Leon County

African Caribbean Dance Theatre Troup
Leon County

ANNIKA Foundation
Orange County

Apel Health Services Center
Duval County

Biltmore Elementary 4H Club
Duval County

Bond Community Health Center
Leon County

Child Abuse Council
Hillsborough County

City of Jacksonville Department of
Recreation and Community Services
Duval County

City of Opa-Locka
Miami-Dade County

Community Connections
of Jacksonville
Duval County

Cornerstone Family Ministries
Hillsborough County

Damayan
Leon County

Devereux Foundation
Hillsborough County

Distinguished Young Gentlemen
of America, Fiscal Agent for
Tallahassee Youth for Change
Leon County

Distinguished Young Gentlemen
of America
Leon County

Duval County Health Department
Duval County

Empowerment Resources
Duval County

Episcopal Children's Services
Duval County

Farmworker Association of Florida
Orange County

Feeding America Tampa Bay
Hillsborough County

Florida Agricultural and Mechanical
University
Leon County

Florida Atlantic University
Palm Beach County

Florida Keys Area Health Education
Center Program
Monroe County

Florida State University
Louise R. Goldhagen Multidisciplinary
Evaluation and Consulting Center
Leon County

Frenchtown Community
Development Corporation
Leon County

Frenchtown Neighborhood Improvement Association
Leon County

Get Outdoors
Leon County

Girl Scouts of West Central Florida
Hillsborough County

Global United Soccer
Hillsborough County

Good News Outreach
Leon County

Health Council of East Central Florida
Orange County

Health Council of South Florida
Miami-Dade County

Hebni Nutrition Consultants
Orange County

I. M. Sulzbacher Center for the Homeless
Duval County

Jacksonville Arboretum & Gardens
Duval County

Leon County Health Department
Leon County

LFCC Outreach Development Corporation, Fiscal Agent for Javacya Arts Conservatory
Leon County

Lutheran Social Services of Northeast Florida
Duval County

MaliVai Washington Kids Foundation
Duval County

Miami-Dade Area Health Education Center
Miami-Dade County

Michael Ann Russell Jewish Community Center
Miami-Dade County

MORE HEALTH
Hillsborough County

Moses House
Hillsborough County

North Brevard Medical Support
Brevard County

North Florida School for Special Education
Duval County

Opa-locka North Dade Front Porch Council
Miami-Dade County

Orange Avenue Tenants Association
Leon County

St. Joseph's Hospital
Hillsborough County

Tallahassee Housing Authority
Leon County

Tampa Metropolitan Area YMCA
Hillsborough County

The Bridge of Northeast Florida
Duval County

The Family Christian Association of America
Miami-Dade County

The Foundation for Leon County Schools
Leon County

The Foundation for Leon County Schools, Fiscal Agent for The Agrinats Training Program
Leon County

The Health Planning Council of Northeast Florida
Duval County

The Links Foundation
Miami-Dade County

The Miami Foundation
Miami-Dade County

The Salvation Army
Leon County

United Way of the Big Bend
Leon County

University of Florida Foundation
Alachua County

University of North Florida, Brooks College of Health
Duval County

University of South Florida Research Foundation, Division of Sponsored Research
Hillsborough County

War on Poverty - Florida
Duval County

War on Poverty - Florida
Miami-Dade County

Wolfson Children's Hospital
Duval County

Working Well
Leon County

Improving Quality and Safety of Patient Care -- Nursing

Florida Center for Nursing, University of Central Florida
Orange County

Improving Quality of Life

Academy Health
Out of State

Academy Prep Center of St. Petersburg
Pinellas County

Achievement Academy
Polk County

African American Chamber Of Commerce Of Central Florida
Orange County

Airlift/Tanker Association - Tony Jannus Chapter
Hillsborough County

Alachua County Public Schools Foundation
Alachua County

All Children's Hospital Foundation
Pinellas County

Alzheimers Community Care
Palm Beach County

American Cancer Society
Miami-Dade County

American Diabetes Association,
North Florida and South Georgia
Duval County

American Heart Association, Miami
Miami-Dade County

American Lung Association of Florida,
North Area
Duval County

American National Red Cross
Hillsborough County

American Red Cross of Central Florida
Orange County

American Red Cross of Greater
Miami and The Keys
Miami-Dade County

American Red Cross,
Northeast Florida Chapter
Duval County

Archbishop Curley Notre Dame
High School
Miami-Dade County

Association to Preserve the
Eatonville Community
Seminole County

Baptist Health Foundation, Jacksonville
Duval County

Bayview Center for Mental Health
Broward County

Best Care Community And
Family Health Center
Gadsden County

Bethany Christian Services
Escambia County

Big Brothers Big Sisters Association
of Florida
Hillsborough County

Big Brothers Big Sisters of Greater Miami
and Mentoring Resource Center
Miami-Dade County

Big Brothers Big Sisters of the Sun Coast
Sarasota County

Boca Helping Hands
Palm Beach County

Bond Community Health Center
Leon County

Boy Scouts of America,
Central Florida Council
Orange County

Boys and Girls Clubs of Broward County
Broward County

Boys and Girls Clubs of Central Florida
Orange County

Boys and Girls Clubs of Collier County
Collier County

Breakthrough Miami
Miami-Dade County

Catholic Charities of Northwest Florida
Escambia County

CCDH
Miami-Dade County

Center for Independent Living
Orange County

Center For Strategic Philanthropy
And Civic Engagement
Palm Beach County

Central Florida Health Care Coalition
Orange County

Charlotte County Sheriff's Office
Charlotte County

Children's Advocacy Center
of Southwest Florida
Lee County

Children's Bereavement Center
Miami-Dade County

City of Jacksonville, Office
of Special Events
Duval County

City of Tampa - Latinos Unidos
Hillsborough County

City of Tampa Black History Committee
Hillsborough County

City Year Miami
Miami-Dade County

Clara White Mission
Duval County

Community Television Foundation
of South Florida
Miami-Dade County

Community Vision
Orange County

Coral Gables Museum
Miami-Dade County

Council for Educational Change
Broward County

Council on Aging of West Florida
Escambia County

Crisis Center of Tampa Bay
Hillsborough County

Cultural Council of Greater Jacksonville
Duval County

daniel Foundation
Duval County

DePaul School of Northeast Florida
Duval County

Donors Forum of South Florida
Miami-Dade County

Downtown Arts District
Orange County

Dreams Come True
Duval County

Dress for Success
Miami-Dade County

Duval County Health Department
Duval County

Easter Seal South Florida
Miami-Dade County

Education Foundation of Sarasota County
Sarasota County

Edward Waters College
Duval County



ElderSource
Duval County

Epilepsy Foundation of Florida
Duval County

Family Central
Broward County

Family Nurturing Center of Florida
Duval County

Family Support Services
of North Florida
Duval County

Florida Coalition Against Domestic
Violence Foundation
Leon County

Florida Council on Economic Education
Hillsborough County

Florida Endowment Foundation For
Vocational Rehabilitation
Leon County

Florida Greenways And Trails Foundation
Leon County

Florida Holocaust Museum
Pinellas County

Florida Hospital Foundation
Orange County

Florida Institute for Community Studies
Hillsborough County

Florida International University
Foundation
Miami-Dade County

Florida Literacy Coalition
Osceola County

Florida Memorial University
Miami-Dade County

Florida Prosperity Partnership
St. Johns County

Florida State College Foundation
Duval County

Florida State University,
College of Medicine
Leon County

Florida Sterling Council
Leon County

Florida TaxWatch
Leon County

Forever Family
Broward County

Fort Lauderdale Children's Theatre
Broward County

Foundation for Building Community
Orange County

Foundation For Orange County
Public Schools
Orange County

Friends of the Museums of Florida History
Leon County

Futures Incorporated
Volusia County

Grace Medical Home
Orange County

Greater Boca Raton Chamber
of Commerce Education Foundation
Palm Beach County

Greater Jacksonville Area USO Council
Duval County

Greater Miami Jewish Federation
Miami-Dade County

Greenwood School
Duval County

Haitian American Nurses Association
of Florida
Miami-Dade County

Haitian Neighborhood Center, Sant La
Miami-Dade County

Harbor House of Central Florida
Orange County

Harvest Time International
Seminole County

Health Care Center For The Homeless
Orange County

Health Foundation of South Florida
Miami-Dade County

Heart of Florida United Way
Orange County

Hebni Nutrition Consultants
Orange County

Hillsborough County Sheriff's Black
Advisory Council
Hillsborough County

Hispanic Business Initiative Fund
of Florida
Orange County

Hispanic Health Initiatives
Seminole County

Hispanic Heritage Scholarship Fund
of Metro Orlando
Orange County

Hispanic Unity of Florida
Broward County

Holocaust Memorial Resource
And Education Center Of Florida
Orange County

Hospice of Marion County
Marion County

Human Services Coalition
of Dade County
(d.b.a. Catalyst Miami)
Miami-Dade County

I. M. Sulzbacher Center for the Homeless
Duval County

I'm A Star Foundation
Duval County

Informed Families/The Florida Family
Partnership
Miami-Dade County

Intervention Services
Orange County

Jack & Jill of America
Seminole County

Jackson Memorial Foundation
Miami-Dade County

Jacksonville Children's Chorus
Duval County

Jacksonville Community Council
Duval County

Jacksonville Kids Coalition (JKC)
Duval County

Jacksonville Symphony Orchestra
Duval County

Jacksonville University
Duval County

Jacksonville Urban League
Duval County

JDRF International
Duval County



Jefferson Awards for Public Service
Out of State

Jewish Community Center
of Greater Orlando
Orange County

Jewish Family and Community Services
Duval County

Junior Achievement of Central Florida
Orange County

Junior Achievement of North Florida
Duval County

Junior Achievement of West Central
Florida
Marion County

Kids House of Seminole, Children's
Advocacy Center
Seminole County

Kids Voting Tampa Bay
Hernando County

Latino Leadership
Orange County

Leadership Jacksonville
Duval County

Local Initiatives Support Corporation,
Jacksonville
Duval County

Lutheran Social Services of Northeast
Florida
Duval County

MaliVai Washington Kids Foundation
Duval County

Manatee Education Foundation
Manatee County

March of Dimes, East Central Florida
Division
Orange County

March of Dimes, Miami-Dade/Monroe
Division
Miami-Dade County

McKeel Academy Of Technology
Polk County

Memories Of Love Foundation
Duval County

Metropolitan Ministries
Hillsborough County

Miami Dade College Foundation
Miami-Dade County

Muscular Dystrophy Association,
Orlando Area
Seminole County

Museum of Contemporary Art
Jacksonville
Duval County

Nap Ford Community School
Orange County

Neighborhood Health Services
Leon County

Network for Teaching Entrepreneurship
Miami-Dade County

Nonprofit Leadership Center
of Tampa Bay
Hillsborough County

Northeast Florida Healthy Start Coalition
Duval County

Nova Southeastern University
Broward County

Orlando Ballet
Orange County

Orlando Day Nursery Association
Orange County

Orlando Repertory Theatre
Orange County

Ounce of Prevention Fund of Florida
Leon County

Palm Healthcare Foundation
Palm Beach County

Performing Arts Center Trust
Miami-Dade County

Pine Castle
Duval County

Pinellas County Sheriff's Office
Pinellas County

Political Leadership Innovation Institute
Hillsborough County

Polk State College Foundation
Polk County

Project S.O.S.
Duval County

Pyramid
Leon County

Randy Roberts Foundation
Polk County

Rays Baseball Foundation
Pinellas County

Ringling College of Art and Design
Sarasota County

Ritz Chamber Music Society
Duval County

River Garden Foundation
Duval County

River Region Human Services
Duval County

Robinson Littleton Elementary School
Lee County

Ronald McDonald House Charities
of Central Florida
Orange County

Ronald McDonald House Charities
of Jacksonville
Duval County

Safe Place And Rape Crisis Center
Sarasota County

Saint Andrews Lighthouse
(d.b.a. Gabriel House of Care)
Duval County

School Board of Sarasota County Florida
Sarasota County

Seminole Community College Foundation
Seminole County

Seniors on a Mission
Duval County

Shine Performing Arts Training Center
Orange County

South Florida Urban Ministries
Miami-Dade County

Southeastern Guide Dogs
Manatee County

Southern Education Foundation
Out of State

St. Thomas University
Miami-Dade County

St. Vincent's HealthCare Foundation
Duval County

Stetson University
Volusia County

SunServe
Broward County

Sunsystem Development Corporation
(Florida Hospital)
Orange County

Susan B. Anthony Recovery Center
Broward County

Take Stock In Children, Broward County
Broward County

Tampa Bay Healthcare Collaborative
Hillsborough County

Tampa Bay Partnership for Regional
Research and Educational Foundation
Hillsborough County

Tampa Museum of Art
Hillsborough County

Teach for America
Miami-Dade County

Teach for America - Duval
Duval County

The Arc Jacksonville
Duval County

The Battier Take Charge Foundation
Out of State

The Boselli Foundation
Duval County

The Center for Drug-Free Living
Orange County

The Champions Fund -
Ryan Nece Foundation
Hillsborough County

GRANTS AWARDED IN 2012

The Community Foundation
of North Florida
Leon County

The Education Fund
Miami-Dade County

The Florida Theatre Performing Arts
Center
Duval County

The Foundation for New Education
Initiatives
Miami-Dade County

The Foundation for Osceola Education
Osceola County

The Foundation for Seminole County
Public Schools
Seminole County

The Foundation for the State of Florida
Leon County

The Guardian Catholic Schools
Duval County

The Leukemia and Lymphoma Society,
Suncoast Chapter
Hillsborough County

The Lustgarten Foundation
Out of State

The Miami Foundation
(The Good Government Initiative)
Miami-Dade County

The Pensacola State College Foundation
Escambia County

The Poynter Institute
Pinellas County

The Salvador Dali Museum
Pinellas County

The Sanctuary on 8th Street
Duval County

The Sigma Pi Phi Fraternity
Duval County

The Way Free Medical Clinic
Clay County

Thelma Gibson Health Initiative
Miami-Dade County

Thurgood Marshall College Fund
Out of State

Tom Coughlin Jay Fund Foundation
Duval County

Trust for Public Land
Miami-Dade County

United Jewish Community of Broward
County
Broward County

United Way of Escambia County
Escambia County

United Way of Lee County
Lee County

United Way of Miami-Dade
Miami-Dade County

United Way of North Central Florida
Alachua County

United Way of Northeast Florida
Duval County

United Way of Northwest Florida
Bay County

United Way of Palm Beach County
Palm Beach County

United Way of St. Johns County
St. Johns County

United Way of Tampa Bay
Hillsborough County

United Way of the Big Bend
Leon County

University of Central Florida Foundation
Orange County

University of Central Florida Research
Foundation on behalf of National
Entrepreneur Center
Orange County

University of Miami
Miami-Dade County

University of Miami, School of Nursing
and Health Studies
Miami-Dade County

University of North Florida Foundation
Duval County

University of South Florida Foundation
Hillsborough County

University of West Florida Foundation
Escambia County

Urban Jacksonville
Duval County

Urban League of Broward County
Broward County

Urban Think Foundation
(d.b.a. Page 15)
Orange County

Winter Park Improvement Foundation
Orange County

WJCT
Duval County

Women of Tomorrow Mentor
& Scholarship Program
Miami-Dade County

YMCA of Central Florida
Orange County

YMCA of Greater Miami
Miami-Dade County

YMCA of Greater St. Petersburg
Pinellas County

YMCA of Northwest Florida
Escambia County

YMCA of the Suncoast
Pinellas County

Young at Art of Broward
Broward County

Young Men's Christian Association
of West Central Florida
Polk County

Youth Central Connection
Orange County





FLORIDA

Foundation

Blue Cross and Blue Shield of Florida Foundation, Inc.

Financial Statements
December 31, 2012 and 2011

26 Report of Independent Certified
Public Accountants

Financial Statements

27 Statements of Financial Position

28 Statements of Activities

30 Statements of Cash Flows

31 Notes to Financial Statements

PricewaterhouseCoopers LLP,
Bank of America Building
50 North Laura Street, Suite 3000
Jacksonville, FL 32202

T: (904) 354 0671
F: (904) 366 3678
www.pwc.com/us

To the Board of Directors of the
Blue Cross and Blue Shield of Florida Foundation, Inc.

We have audited the accompanying financial statements of Blue Cross and Blue Shield of Florida Foundation, Inc. (the "Foundation"), which comprise the financial position as of December 31, 2012 and 2011, and the related statements of activities and statements of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

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

Independent Certified Public Accountant's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation at December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

April 5, 2013

Statements of Financial Position

December 31, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents - unrestricted	\$ 4,176,186	\$ 3,387,793
Excise tax recoverable	-	60,500
Dividends receivable	126,143	134,284
Software, net	-	8,206
Prepaid expenses	47,595	-
Investments	131,129,100	110,438,001
Total assets	<u>\$ 135,479,024</u>	<u>\$114,028,784</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 89,176	\$ 385,168
Deferred income taxes	208,446	60,049
Grants payable	5,301,610	3,574,431
Total liabilities	<u>5,599,232</u>	<u>4,019,648</u>
Net assets		
Unrestricted	115,879,792	96,009,136
Permanently restricted	14,000,000	14,000,000
Total net assets	<u>129,879,792</u>	<u>110,009,136</u>
Total liabilities and net assets	<u>\$ 135,479,024</u>	<u>\$114,028,784</u>

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

Statements of Activities

Years Ended December 31, 2012 and 2011

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating support and revenue				
Contributions from related parties	\$ 19,852,402	\$ -	\$ -	\$ 19,852,402
Contributions from outside parties	24,000	-	-	24,000
Total contributions	19,876,402	-	-	19,876,402
Dividend and interest income, net	3,895,500	-	-	3,895,500
Net realized and unrealized gains on investments	8,534,190	-	-	8,534,190
Long-term capital gains	369,058	-	-	369,058
Net investment income	12,798,748	-	-	12,798,748
Donated services	108,739	-	-	108,739
Net assets released from restriction	-	-	-	-
Total operating support and revenue	32,783,889	-	-	32,783,889
Expenses				
Program grants	10,942,003	-	-	10,942,003
Program expenses	-	-	-	-
Management and general	1,971,230	-	-	1,971,230
Total expenses	12,913,233	-	-	12,913,233
Increase (decrease) in net assets	19,870,656	-	-	19,870,656
Net assets				
Beginning of year	96,009,136	-	14,000,000	110,009,136
End of year	\$ 115,879,792	\$ -	\$ 14,000,000	\$ 129,879,792

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

2011

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 30,682,888	\$ -	\$ -	\$ 30,682,888
-	-	-	-
30,682,888	-	-	30,682,888
3,710,300	-	-	3,710,300
(272,256)	-	-	(272,256)
250,256	-	-	250,256
3,688,300	-	-	3,688,300
102,647	-	-	102,647
153,929	(153,929)	-	-
34,627,764	(153,929)	-	34,473,835
6,398,307	-	-	6,398,307
3,929	-	-	3,929
2,209,030	-	-	2,209,030
8,611,266	-	-	8,611,266
26,016,498	(153,929)	-	25,862,569
69,992,638	153,929	14,000,000	84,146,567
<u>\$ 96,009,136</u>	<u>\$ -</u>	<u>\$ 14,000,000</u>	<u>\$ 110,009,136</u>

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

Statements of Cash Flows

Years Ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Increase in unrestricted net assets	\$ 19,870,656	\$ 26,016,498
Change in temporarily restricted net assets	-	(153,929)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Value of contributed investments	(19,876,402)	(30,682,888)
Net realized gains on investments	(1,411,140)	(733,962)
Change in net unrealized gains and losses on investments	(7,271,447)	1,027,181
Deferred income taxes	148,397	(20,963)
Amortization of software	8,206	16,411
Changes in certain assets and liabilities		
Grants receivable	-	62,500
Excise tax recoverable	60,500	(60,500)
Dividends receivable	8,141	(1,564)
Prepaid expenses	(47,595)	-
Accounts payable and accrued expenses	(295,992)	293,344
Grants payable	1,727,179	1,059,643
Net cash used in operating activities	<u>(7,079,497)</u>	<u>(3,178,229)</u>
Cash flows from investing activities		
Purchases of investments	(31,270,965)	(43,987,864)
Proceeds from sale of investments	39,138,855	44,618,098
Net cash provided by investing activities	<u>7,867,890</u>	<u>630,234</u>
Net (decrease) increase in cash and cash equivalents	788,393	(2,547,995)
Cash and cash equivalents		
Beginning of year	3,387,793	5,935,788
End of year	<u>\$ 4,176,186</u>	<u>\$ 3,387,793</u>
Supplemental disclosure of cash flow information		
Cash paid for excise taxes	\$ 50,000	\$ 210,001

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

Notes to Financial Statements

December 31, 2012 and 2011

1. Organization and Summary of Significant Accounting Policies

Organization

The Blue Cross and Blue Shield of Florida Foundation, Inc. (the "Foundation", formerly known as "The Blue Foundation for a Healthy Florida, Inc."), a philanthropic affiliate of Blue Cross and Blue Shield of Florida, Inc. (Florida Blue), was incorporated on March 12, 2001. The Foundation is a private, charitable foundation operated exclusively to fund and support 501(c)(3) organizations, as defined by the Internal Revenue Code, as well as programs that positively impact the health and well-being of Floridians and their communities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Classification of Net Assets

Net assets are classified into one of three categories – permanently restricted, temporarily restricted or unrestricted as follows:

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Foundation. All income earned on related investments is considered unrestricted and is permitted to be used for general support of the Foundation.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. At December 31, 2012 and 2011, there were no temporarily restricted net assets. As of October 2011 the temporarily restricted net assets related to a grant received in 2009 from the Northwest Health Foundation Fund, which was matched by Florida Blue, financed the "Promoting the use of Simulation Technology in FL Nurse Education" program, which is administered through the "Partner's Investing in Nursing's Future" organization has closed.

Unrestricted net assets – Net assets which represent resources generated from operations that are not subject to donor-imposed stipulations.

Contributions

Contributions are recognized as revenue in the period earned, and as assets or expenses depending on the form of the benefits received. Contributions received are measured at their fair value.

Foundation Grants

Grants are recognized as expenses in the period the grants are approved and as increases in liabilities, depending on the form of the benefits given. Grants are measured at the fair value of the assets promised.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks, money market deposits and overnight repurchase agreements with an original maturity of less than ninety days from time of purchase and are carried at fair value. Cash restricted as to use by donor stipulations is included in cash and cash equivalents. At December 31, 2012 and 2011, there was no temporarily restricted cash.

Notes to Financial Statements

December 31, 2012 and 2011

Concentration of Credit Risk

Cash is primarily held in deposits in noninterest-bearing transaction accounts with Federal Deposit Insurance Corporation ("FDIC") insured institutions, which through December 31, 2012, are fully insured, regardless of the balance in the account, or in money market mutual funds. The financial stability of these institutions is reviewed on a periodic basis. Fixed maturity securities are diversified and primarily include investment grade securities with a small percentage of below investment grade securities. Diversification of fixed income investments is achieved through the purchase of broadly diversified mutual funds that typically restrict individual holdings of nongovernment issues to no more than 5% of the fund.

Investments

The Foundation records investments at their fair value based on available quoted market prices. Increases or decreases in fair value are recognized in the period in which they occur in the statements of activities. Net realized investment gains and losses are calculated on a first in, first out basis of identification.

Donated Goods and Services

Donated goods and services are reflected in the financial statements as the fair value of the goods and services received. The donation of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

The Foundation is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation had no unrecognized tax benefits during 2012 or 2011 and does not anticipate any material adjustments within the next twelve months.

The Foundation recognizes interest and, if applicable, penalties, which could be assessed, related to unrecognized tax benefits in income tax expense. For the years ended December 31, 2012 and 2011, there were no interest or penalty amounts charged to income tax expense, and there were no cumulative interest or penalty amounts recorded in the statements of financial position.

As of December 31, 2012, the Foundation's 2008 through 2012 tax returns remain subject to examination by the Internal Revenue Service.

Excise Taxes

The Internal Revenue Code imposes an excise tax on private foundations equal to 2% of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% for foundations that meet certain distribution requirements. The Foundation qualified for this reduced tax rate in both 2012 and 2011 resulting in excise tax of \$114,799 and \$149,501 respectively.

Notes to Financial Statements

December 31, 2012 and 2011

Deferred Income Taxes

The Foundation's net deferred tax liability at December 31, 2012 and 2011, attributable to federal excise taxes related to unrealized gains, was \$208,446 and \$60,049, respectively.

2. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

3. Investments and Fair Value Measurements

The cost and approximate fair value of investments at December 31 were:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Vanguard Total Bond Index	\$ 58,375,185	\$ 62,334,964	\$ 49,384,730	\$ 52,823,314
Vanguard Total Stock Market Index	19,814,320	23,846,677	21,987,258	24,007,531
Vanguard Developed Market Index	20,895,167	22,611,103	17,807,621	16,839,001
Vanguard REIT Index Fund	7,238,327	7,598,648	6,272,883	5,798,492
Vanguard Emerging Market	7,191,180	7,304,088	5,943,700	5,163,078
PIMCO High Yield Bond Fund	7,192,638	7,433,620	6,039,369	5,806,585
	<u>\$ 120,706,817</u>	<u>\$ 131,129,100</u>	<u>\$ 107,435,561</u>	<u>\$ 110,438,001</u>

As defined in Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price methodology). Market data and assumptions that are believed to be used by market participants in pricing the asset or liability including assumptions about risk and the risks inherent in the inputs to the valuations technique are utilized. These inputs may be readily observable, market corroborated or generally unobservable.

Inputs used to measure fair value are prioritized by the fair value hierarchy established by ASC 820. Highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest to observable inputs (Level 3 measurement). The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1 – Pricing inputs are based on quoted prices available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Equity securities traded on a national stock exchange are included in this category.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources and may include internally developed methodologies that result in management's best estimate of fair value from the perspective of a market participant.

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

Notes to Financial Statements

December 31, 2012 and 2011

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in ASC 820. The three valuation techniques are as follows:

Market approach — Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

Cost approach — Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and

Income approach — Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

Description	December 31, 2012	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash equivalents	\$ 4,176,186	\$ 4,176,186	\$ -	\$ -
Equity securities	131,129,100	131,129,100		
Liabilities				
Grants payable	5,301,610			5,301,610
December 31, 2011				
Description				
Assets				
Cash equivalents	\$ 3,550,932	\$ 3,550,932	\$ -	\$ -
Equity securities	110,438,001	110,438,001		
Liabilities				
Grants payable	3,574,431			3,574,431

Cash equivalents (money market accounts) and equity securities are valued using the market approach. Grants payable are valued using the income approach.

Notes to Financial Statements

December 31, 2012 and 2011

The following table presents disclosures about fair value measurements at December 31, 2012 and 2011 using significant unobservable inputs (Level 3). Reclassification impacting Level 3 financial instruments are reported as transfers in (out) of the Level 3 category as of the beginning of the period in which the transfer occurs. There were no significant transfers between levels during the years ended December 31, 2012 and 2011.

	Grants Payable
Beginning balance, January 1, 2011	\$ 2,514,788
Additions to grants payable	6,607,296
Payments made	(5,547,653)
Ending balance, December 31, 2011	3,574,431
Additions to grants payable	6,778,895
Payments made	(5,051,716)
Ending balance, December 31, 2012	<u>\$ 5,301,610</u>

4. Grants Payable

Grants payable as of December 31, 2012 that are due within the next year are \$3,829,310, and the remaining balance of \$1,472,300 is due between two to five years.

5. Related Party Transactions

Salaries Payable

As of December 31, 2012 and 2011, salaries payable to Florida Blue for Foundation employees of \$55,998 and \$177,887, respectively, is included in accounts payable and accrued expenses in the statements of financial position.

Donated Services

All donated services for the years ended December 31, 2012 and 2011 were received from Florida Blue and subsidiaries. Donated services consist primarily of specialized legal, accounting, investment, advisory and tax services.

Board of Directors

The Foundation's Board of Directors is comprised of Florida Blue employees and retirees.

Contributions

The fair value of contributed investments from Florida Blue and subsidiaries totaled \$19,852,402 and \$30,682,888 for the years ended December 31, 2012 and 2011, respectively.

6. Endowment

The Foundation's permanently restricted net assets consist of individual donor restricted endowment funds and quasi-endowment funds, which are internally designated by the Board of Directors for a variety of purposes. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

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

Notes to Financial Statements

December 31, 2012 and 2011

7. Subsequent Events

The Company evaluated events and transactions that occurred after December 31, 2012, but prior to the issuance of the financial statements on April 5, 2013 and in the opinion of management, the accompanying financial statements reflect all material items.

In January 2013, Florida Blue made additional contributions to the Foundation by means of transferring approximately \$19,149,253 in unrestricted investments. These contributions are intended to support the operations of the Foundation and provide funding for various grants and other program support.

Special Foundation Announcement

In April 2012, Blue Cross and Blue Shield of Florida, the Company, became Florida Blue. In February 2013, the Blue Cross and Blue Shield of Florida Foundation changed its name to Florida Blue Foundation to tie in with the successful launch of Florida Blue, the Company. The shorter, simpler and friendlier name – Florida Blue Foundation – makes a stronger link between the Foundation, our Company and Florida, reinforcing our commitment to our communities across the state. By leveraging the visibility and promotional efforts of the new brand, we can raise the Foundation's profile to all audiences.

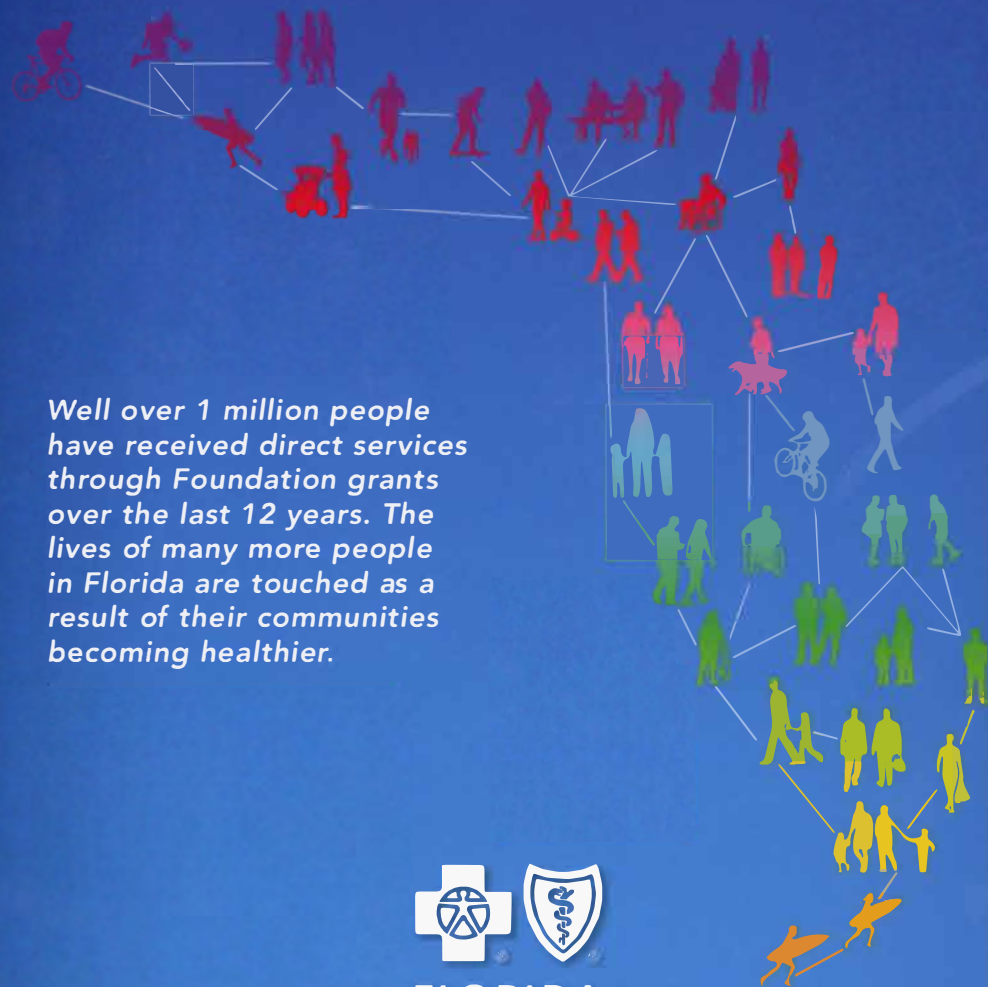
Florida Blue and the Florida Blue Foundation will continue to be committed to leading innovation to enable healthy communities.

Florida Blue 
Foundation

101010001011

Applying for grants is a click away!

In an effort to be more environmentally friendly and efficient, the Blue Cross and Blue Shield of Florida Foundation, Inc. accepts only electronic applications for all of its programming. Through the Foundation's secure website, nonprofit organizations are able to apply for grants without having to pay for postage or printing costs. Compared to paper applications, the time spent processing online applications is cut in half. For information on guidelines and when to apply, as well as links to applications, please visit the Foundation's website: www.bluefoundationfl.com.



Well over 1 million people have received direct services through Foundation grants over the last 12 years. The lives of many more people in Florida are touched as a result of their communities becoming healthier.



FLORIDA

Foundation

4800 Deerwood Campus Parkway, DCC 3-4
Jacksonville, FL 32246
800-477-3736, ext. 63215
Website: www.bluefoundationfl.com
Email: thebluefoundation@floridablue.com

twitter.com/flblue facebook.com/floridabluehealth youtube.com/FloridaBlue

